

ADDITIONAL OPERATING BUDGET DETAIL GUIDELINES
FB 2005-07 AND THE PLANNING PERIOD

1. Fringe Benefits

Preliminary estimates of the composite fringe benefit rate are 40% for FY 06 and FY 07. Departments should use these estimates until updated rates can be determined. Departments will be informed of approved rates as soon as such rates are available.

2. Services-on-a Fee Basis

Expenditures for “services-on-a-fee basis” must be separated into the following two categories and should be reported on the BJ-2, as appropriate:

- 29AA Personal Services Rendered by Other State Departments and Agencies (State Employees)

This category applies to funds budgeted in “services-on-a-fee basis” which provide for the full or partial payroll of other State employees servicing the department in some capacity (i.e., Attorney General’s salaries paid by the department serviced, etc., including appropriate funding for fringe benefits).

- 71AA Services-on-a-Fee Basis (Other than State Employees)

This category applies to the contracted services of individuals or organizations which are not employees or agencies of the State.

3. Purchases of Health and Human Services and Culture and Arts Grants

Funding may be included within departmental current-services budget ceiling levels for both years of FB 2005-07. Departments anticipating such funding requirements must budget such items by appropriate program ID, using the following object codes to show funding for **Chapters 9** (Culture and Arts Grants), and **103F** (purchase of health and human services), on Table BJ-2:

71CC Purchases of Health and Human Services
71DD Culture and Arts Grants

These object codes should be used only for Chapters 9 and 103F funds. Amounts shall be identified by service activity.

4. Authorized Position Levels

- a. All permanent and temporary positions in the Act 41, SLH 2004, budget details were updated with current incumbent information from DHRD’s Human Resources

Management System (HRMS) as of July 11, 2004. All information should be checked to ensure accuracy. The following positions were not included:

- Student positions.
- Positions with any of these five attributes: vicing; floater; substitute; seasonal; or temporary as needed.

NOTE: Any corrections made to the turnaround BJ-1 form will not automatically update HRMS.

b. Salary Projection Methodology

- Salary amounts shown for FY 05, 06 and FY 07 are based on the HRMS file as of July 11, 2004, i.e., any transactions (step movements, reallocations, etc.) which were processed after that date were not used in calculating the salary amounts for FY 05, 06 or 07.

For Units 2, 3, 4, and 13 – the FY 05 salaries reflect the 5% raise effective January 1, 2005, and the FY 06 and 07 salaries reflect the 5% increase for the full year. For those positions whose step movements were not processed by July 11, 2004, or are scheduled to occur after that date, the 5% raise is not based on the step movement. The salaries for these positions, therefore, may be understated and should be checked and corrected. These positions can be identified by sorting the personnel Excel file by the Next Step Movement column and looking for positions with step movement dates falling between July 1, 2004 and June 30, 2005.

For Units 1, 9, 10 and EMCP – the salary rate effective on June 30, 2004, is carried over to FY 05, 06, and 07; that is, the same salary amount is shown in FY 04, 05, 06, and 07.

- DOE and UH will project the salaries of their positions (all classified and certificated positions in DOE; and all civil service, faculty and non-faculty positions in UH).
- No assumptions for future CB increases (except for currently approved contract for Unit 7) have been included.
- Hourly and daily rate positions have been converted to an annual amount based on the FTE percent.

- All vacant civil service positions have been reduced to the entry step on the pay scale. The salaries of vacant exempt positions are the salary amounts of the last incumbent, if the record of the last incumbent exists in HRMS. **If there is no record of the last incumbent, the salary is 0.**
 - If a position is funded by more than one means of financing (MOF), each MOF portion is shown on a separate line.
- c. Because the BJ-1 and BT-1 files will be used as the basis for CB and other reports, it is important that it should reflect the most current information possible. Please ensure that each position title shows its corresponding BU, job code, and SR levels as laid out in the DHRD Compensation Plan. For example, a Clerk-Steno II position should show job code 01.080, SR09, and BU 03.

5. Quarterly Update of Revenue Estimates

Departments are reminded that budget authorization requests for programs funded by special, federal, or other than general fund sources must be based on most recent estimates of anticipated revenue receipts. Federal fund receipts must be updated to reflect changes that have been recently authorized or can be anticipated in the budget and planning period.

Separate instructions have been issued by the Department of Budget and Finance (B&F) with specific requirements for quarterly revenue updates.

6. Equipment and Motor Vehicle Requests for FB 2005-07

Requests for these cost elements should be displayed on the appropriate BJ-3 or BJ-4 tables and included as part of the departmental current-services budget (Form CS) and requests (Form A) as applicable.

7. Collective Bargaining Data

To be included in the CB cost data base:

- a. Positions must be listed on Tables BJ-1 and BT-1.
- b. Non-salary cost items must be identified and submitted on Form CB-1 (Attachment 4). Questions pertaining to this form should be directed to B&F (Mr. Gordon Chang at 586-1605 or Mr. Ralph Schultz at 586-1841).

8. State and Function Plan Guidelines

In preparing the budget pursuant to these instructions, agencies are reminded that the functional plans developed under Chapters 226 and 225M, HRS, *Relating to State Planning* and the *Hawaii State Planning Act*, shall be used as guidelines.

9. State Energy Policies and Guidelines

Budget requests for energy funding shall be based on standards, guidelines, and goals developed by the energy coordinator of the Department of Business, Economic Development and Tourism (DBED). Agencies and departments must comply with policies, programs, projects and action pertaining to State energy use, pursuant to policies mandated by Act 77, SLH 2002.

10. Proposed Land Use and Development Activities

Pursuant to the provisions of A.D. 90-05, the Land Use Division of the Office of Planning in DBED has been designated as the agency responsible for the review and coordination of all proposed (Executive) State agency policies, programs, projects and action which pertain to major land use and development. Agencies and departments must comply with the policies and procedures established by the Office of Planning with respect to matters pertaining to major land use and development, and shall keep that office apprised by forwarding copies of plans, proposals, and associated material to that office for its review.

11. State of Hawaii Statistical Data

The 2003 State of Hawaii Data Book, released on the Internet in August 2004, should be used for population projections, economic factors, and other demographic and statistical data. This Data Book and its updates can be accessed at www2.hawaii.gov/dbedt. (*Select Statistics & Economic Information and State of Hawaii Data Book.*) If additional assistance is required, Dr. Pearl Imada Iboshi of the Research and Economic Analysis Division of DBED should be contacted at 586-2466.

12. Insurance Acquisition, and Payment of Automobile Liability, General Liability and Property Losses

Funding for the payment of automobile liability, general liability and property losses, and for the purchase of insurance policies is consolidated under the Risk Management Program. With the exception of the departments and categories listed below, all State agencies shall include funding for insurance acquisition (59XX), and for payment of automobile liability, general liability and property losses, in accordance with Chapter 41D, HRS (Risk Management and Insurance Administration), and Comptroller's Memorandum 99-28, "***Risk Management Cost Allocation.***"

The following departments have been authorized by the Comptroller to purchase the type of insurance designated:

Department of Health: Medical Malpractice, Boiler and Machinery, Group Coverage for Volunteers and/or Students.

Department of Human Services: Group Coverage for Volunteers and/or Foster Parents.

DBED (Foreign Trade Zone): Warehouseman Legal Liability.

Department of Transportation (Airports Division): Aviation and General Liability.

University of Hawaii: Medical Malpractice, General Liability, Boiler and Machinery, Group Coverage for Students.

13. Telecommunications Services and Facilities

Departments and Agencies of the Executive Branch shall continue to plan and budget for telecommunications requirements according to existing guidelines and policies until further notice. As such, A.D. 87-1, dated February 6, 1987 (Policy Governing Acquisition and Utilization of Telecommunications Services and Facilities), shall continue to be consulted for guidance, until superseded.

14. Lease/Rental of Office Space

Section 171-30, HRS, provides the Department of Accounting and General Services (DAGS) with the responsibility for any lease, rental, or other acquisition of privately-owned office space for use by State departments or agencies. Departments shall submit all requests through the Comptroller under procedures established by DAGS, pursuant to Comptroller Memo No. 1994-28, "*Office Space Leases in non State-Owned Buildings.*"

Please note that all real and personal property acquired through "lease financing" or other financial agreements as defined by Chapter 37D, HRS, must be budgeted on Table BK-2, "Current Lease Payments – Other Current Expenses." See "Instructions for Completing Program and Financial Plans and Program Budget Request Forms" dated August 2004 for further explanation of this requirement.

15. Motor Vehicle Purchase Guidelines

Agencies on Oahu and Maui shall rent passenger cars from DAGS Motor Pool instead of purchasing vehicles, whenever feasible. Procurement of passenger vehicles only shall be subject to comptroller's approval of **FORM AMD-MP-007**.

The following guidelines for motor vehicles should be used. For replacement requests, an estimated allowance for trade-ins should be deducted from the prices listed below.

Any agency having a fully justifiable requirement for options or accessories should add an allowance for such items. Specific questions on motor vehicle specifications may be directed to the Automotive Management Division of DAGS.

Passenger Cars

Basic specifications: Automatic transmission, gasoline powered, power or power-assisted brakes and steering, AM/FM radio, white color, and air conditioning.

Category

FY 06

FY 07

A. Sedan, Subcompact	\$14,300	\$14,500
B. Sedan, Compact	18,450	18,450
C. Sedan, Intermediate	20,700	20,800

Sport Utility, Four-Wheel Drive

Basic specifications: Automatic transmission, 6-cylinder, gasoline powered, full-size, spare tire, power or power-assisted brakes and steering, painted white or buff, AM/FM radio, air conditioning.

<u>Category</u>	<u>FY 06</u>	<u>FY 07</u>
A. Sport Utility, Compact	\$28,000	\$28,400
B. Sport Utility, Full-Size	32,500	32,900

Vans

Basic specifications: Automatic transmission, 6-cylinder, power or power-assisted brakes and steering, gasoline powered, full-size, spare tire, painted white or buff, AM/FM radio, air conditioning.

<u>Category</u>	<u>FY 06</u>	<u>FY 07</u>
A. Cargo, Mini	\$21,400	\$21,700
B. Cargo, ½ Ton	21,200	21,500
C. Cargo, ¾ Ton	22,000	22,300
D. Cargo, 1 Ton	24,200	24,500
E. 7-Passenger, Mini	22,700	23,000
F. 12-Passenger	26,300	26,600
G. 15-Passenger	28,000	28,400

Light Duty Pickup Trucks

Basic specifications: Automatic transmission, 6-cylinder, gasoline powered, wide bed, full-size, spare tire, power or power-assisted brakes and steering, painted white or buff, AM/FM radio, air conditioning.

<u>Category</u>	<u>FY 06</u>	<u>FY 07</u>
<u>Two-Wheel Drive</u>		
A. Compact	\$19,100	\$19,300
B. ½ Ton	23,300	23,600
C. ¾ Ton	25,700	26,000

Four-Wheel Drive

A. Compact	\$19,100	\$19,300
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B. ½ Ton	23,300	23,600
C. ¾ Ton	25,700	26,000

16. Planning Period Budget Projections (FY 08, FY 09, FY 10, FY 11)

No growth from current-services budget ceiling amounts for FB 2005-07 shall be assumed for the planning period estimates, except for projected increases to the items identified in Attachment 2, A.4.c.1, 2, and 3. Future CB increases should not be presumed nor included in any biennium or planning period funding projections, except for CB costs associated with Unit 7 (University of Hawaii Professional Assembly) pursuant to the currently approved contract.

Departments requesting “allowable increases” should be prepared to provide supporting data to justify their out-year projected increases, as applicable.