



EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

January 10, 2007

The Honorable Calvin K.Y. Say, Speaker
and Members of the House of Representatives
Twenty-Fourth 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 Director of Finance's and Department of Budget and Finance's reporting requirements of Act 160, SLH 2006, the Supplemental Appropriations Act of 2006.

Please note that the following reports will be transmitted under separate cover:

- Comparison of appropriations to actual expenditures for Charter School employees' health benefits (Section 44).
- Comparison of appropriations to actual expenditures for Charter School employees' retirement benefits (Section 46).
- Use of state bond ratings and sales protocol account (Section 145).
- Assessment of adequacy of federal funding to comply with the No Child Left Behind Act of 2001 (Section 153).
- Budget and Finance's energy conservation plans (Section 168.5).

The Honorable Calvin K.Y. Say
January 10, 2007
Page 2

Pursuant to Act 231, SLH 2001, I am also informing you that the report may be viewed electronically at www.hawaii.gov/budget/LegReports/reportslist.htm.

Sincerely,

LINDA LINGLE

Enclosures



EXECUTIVE CHAMBERS

HONOLULU

LINDA LINGLE
GOVERNOR

January 10, 2007

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fourth 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 Director of Finance's and Department of Budget and Finance's reporting requirements of Act 160, SLH 2006, the Supplemental Appropriations Act of 2006.

Please note that the following reports will be transmitted under separate cover:

- Comparison of appropriations to actual expenditures for Charter School employees' health benefits (Section 44).
- Comparison of appropriations to actual expenditures for Charter School employees' retirement benefits (Section 46).
- Use of state bond ratings and sales protocol account (Section 145).
- Assessment of adequacy of federal funding to comply with the No Child Left Behind Act of 2001 (Section 153).
- Budget and Finance's energy conservation plans (Section 168.5).

The Honorable Colleen Hanabusa
January 10, 2007
Page 2

Pursuant to Act 231, SLH 2001, I am also informing you that the report may be viewed electronically at www.hawaii.gov/budget/LegReports/reportslist.htm.

Sincerely,

LINDA LINGLE

Enclosures

**DIRECTOR OF FINANCE'S AND DEPARTMENT OF BUDGET AND FINANCE'S
REPORTING REQUIREMENTS
PURSUANT TO
ACT 160, SLH 2006, SUPPLEMENTAL APPROPRIATIONS ACT OF 2006**

SECTION 61. Provided that of the general fund appropriation for University of Hawaii, systemwide support (UOH 900), the sum of \$73,800,011 for fiscal year 2005-2006 and the sum of [~~\$83,010,455~~] \$80,303,145 for fiscal year 2006-2007 shall be used to pay for debt service on general obligation bonds issued for [~~university~~] University of Hawaii projects and transferred to the financial administration program (BUF 115) of the department of budget and finance for that purpose; provided further that the funds shall be transferred no later than July 16 of each respective fiscal year; provided further that the department of budget and finance shall submit a detailed report comparing general fund appropriations to actual general fund expenditures for the [~~university~~] University of Hawaii's share of general obligation bond debt service for each fiscal year from [~~the 2001-2002~~] fiscal year 2001-2002 through the last completed fiscal year, and a projection for each of the succeeding two fiscal years; and provided further that the University shall submit the [~~this~~] report shall be submitted to the legislature no later than twenty days prior to the convening of the 2006 and 2007 regular sessions.

See Attachment Sections 61 & 74.

SECTION 74. Provided that of the general fund appropriation for financial administration (BUF 115), the sum of \$231,789,298 for fiscal year 2005-2006 and the sum of [~~\$260,110,764~~] \$253,465,525 for fiscal year 2006-2007 shall be used to pay for interest and principal on general obligation bonds; provided further that the funds shall not be expended for any other purpose; provided further that any unexpended funds shall lapse to the general fund; provided further that the department of budget and finance shall submit a detailed report comparing general fund appropriations to actual general fund expenditures for the non-department of education and non-~~university~~ University of Hawaii share of general obligation bond debt service for each fiscal year from the 2001-2002 fiscal year through the last completed fiscal year, and compare appropriations to a projection for the fiscal year in which the report is to be submitted; and provided further that the [~~this~~] report shall be submitted to the legislature no later than twenty days prior to the convening of the 2006 and 2007 regular sessions.

See Attachment Sections 61 & 74.

SECTION 136. Any law or provision to the contrary notwithstanding, in expending funds for social welfare programs, education programs, and other programs and agencies having appropriations which are based on population and workload data as specified in the executive budget document, only so much as is necessary to provide the level of services intended by the legislature shall be expended. Affected agencies shall reduce expenditures below appropriations under procedures prescribed by the department of budget and finance in the event actual population and workload trends are less than the figures projected; provided that the department of budget and finance shall notify the legislature within five business days of each application of this proviso and submit a report of all applications 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 2006 and 2007 regular sessions.

No activity to report.

SECTION 140. 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 the funds to match federal funds that 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; provided that the director of finance 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 2006 and 2007 regular sessions.

No activity to report.

Report to the 2007 Legislature
Budgeted versus Actual General Obligation Bond Debt Service Payments
 Report Reference: Act 178, SLH 2005 Sections 61 and 74

FISCAL YEAR		APPROPRIATION (a)	ACTUAL EXPENDITURE (b)	DIFFERENCE	COMMENTS
2006	DOE	206,116,917	200,410,867	5,706,050	The savings totaling \$13 million are attributed to lower than projected interest rates on new money issuances from Series DF, refunding savings from Series DG and DH, and the Series DI bonds being issued in the 2nd half of FY06 as opposed to the 1st half of FY06.
	UH	73,800,011	71,756,964	2,043,047	
	Other	<u>231,789,298</u>	<u>226,495,709</u>	<u>5,293,589</u>	
		<u>511,706,226</u>	<u>498,663,540</u>	<u>13,042,686</u>	

(a) Appropriation based on Act 160, SLH 2006.

(b) Expenditures based on DAGS FAMIS reports; "U" funded expenditures pro-rated based on budgetary allocation of debt service.

General Obligation Bond Debt Service Budgeted Projection for FY 2007 and FY 2008

FISCAL YEAR		APPROPRIATION *	ACTUAL	DIFFERENCE
2007				
	DOE	224,279,599	n/a	n/a
	UH	80,303,145	n/a	n/a
	Other	<u>253,465,525</u>	n/a	n/a
	Total	<u>558,048,269</u>	n/a	n/a

* Act 178, SLH 2005 Sections 45 (DOE), 61 (UH) and 74 (Other), as amended by Act 160, SLH 2006.

	APPROPRIATION	FB 2008-2009 BUDGET REQUEST	
2008			
	DOE	228,027,849	n/a
	UH	84,392,802	n/a
	Other	<u>264,426,932</u>	n/a
	Total	<u>576,847,583</u>	n/a