

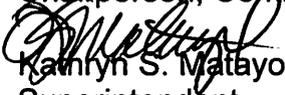


STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

OFFICE OF THE SUPERINTENDENT

April 21, 2015

TO: The Honorable Brian De Lima
Chairperson, Committee on Finance and Infrastructure

FROM: 
Kathryn S. Matayoshi
Superintendent

SUBJECT: **Update on Department of Education's Budget: Fiscal Biennium (2015-2017)
Operating and Capital Improvement Program (CIP)**

1. DESCRIPTION

Update on the House and Senate Drafts for H.B. 500, the Executive Branch 2015-2017 Biennium Budget.

2. UPDATE

- Revisit the General Fund Base Operating Budget. (Attachment A)

- General Fund Base Operating Budget and Requests by Draft by EDN:

DRAFT	FY2015-16	FY2016-17	Biennium Total
DOE/BOE	73,818,336	85,131,743	158,950,079
Governor	35,259,594	31,244,600	66,504,194
House	24,005,294	12,839,693	36,844,987
Senate	32,169,719	33,988,216	66,157,935

(Attachment B)

- General Fund Operating Budget Request Totals by Various Lenses. (Attachment C)
- Trade-off/transfers proposed by the Department:
Both the House and Senate agreed with all proposed trade-off/transfers.
(Attachment D)

- General Fund Operating Request Details by EDN. These include those Department requests that:
 - the House and Senate agreed with;
 - were at least partially approved by either the House or Senate, and the House and Senate do not agree with each other on (note: violet highlighted cells indicate preferred version), and
 - both the House and Senate agreed to not fund at all.(Attachment E)

- Operating Budget Non-General Funds Request Details by EDN. (Attachment F)
Both the House and Senate agreed with all proposed adjustments to non-general fund expenditure ceilings proposed by the Department, with the exception:
 1. House Draft did not incorporate -\$10 million federal funds ceiling adjustment for Impact Aid to better reflect anticipated receipts.
 2. Senate Draft added \$1 million revolving funds ceiling for the A+ program.(note: violet highlighted cells indicates preferred version)

- H.B. 500 Standing Committee Reports. (Attachment G)

- Operating Budget Provisos. (Attachment H)

- Capital Improvement Program General Obligation (G.O.) Bond Funds (Attachment I):

DRAFT	FY2015-16	FY2016-17	Biennium Total
DOE/BOE	406,200,000	306,850,000	713,050,000
Governor	106,500,000	106,500,000	213,000,000
House	252,875,000	150,030,000	402,905,000
Senate	200,089,000	141,955,000	342,044,000

KSM:BH:ks

Attachments

c: Budget Branch

DEPARTMENT OF EDUCATION
 FB 2015-17 BIENNIAL BUDGET
 GENERAL FUND - BASE OPERATING BUDGET

Fiscal Year 2014-15 Appropriation (A)		
Prog ID (EDN)	FY 2015-16	FY 2016-17
EDN100	812,888,595	812,888,595
EDN150	325,508,663	325,508,663
EDN200	47,429,820	47,429,820
EDN300	43,343,959	43,343,959
EDN400	171,218,522	171,218,522
EDN500	2,500,000	2,500,000
EDN700	3,255,152	3,255,152
GRAND TOTAL	1,406,144,711	1,406,144,711

Non-Recurring (B)		
Prog ID (EDN)	FY 2015-16	FY 2016-17
EDN100	1,426,147	1,426,147
EDN150	-	-
EDN200	180,000	180,000
EDN300	-	-
EDN400	9,000,000	9,000,000
EDN500	-	-
EDN700	491,152	491,152
GRAND TOTAL	11,097,299	11,097,299

Collective Bargaining (C)		
Prog ID (EDN)	FY 2015-16	FY 2016-17
EDN100	62,665,292	82,921,568
EDN150	24,968,105	32,845,185
EDN200	3,539,252	4,575,325
EDN300	4,298,440	5,243,943
EDN400	4,100,194	5,479,578
EDN500	292,223	362,275
EDN700	-	-
GRAND TOTAL	99,863,506	131,427,874

Fiscal Biennium 2015-17 Base Operating Budget (D = A - B + C)		
Prog ID (EDN)	FY 2015-16	FY 2016-17
EDN100	876,980,034	897,236,310
EDN150	350,476,768	358,353,848
EDN200	51,149,072	52,185,145
EDN300	47,642,399	48,587,902
EDN400	184,318,716	185,698,100
EDN500	2,792,223	2,862,275
EDN700	3,746,304	3,746,304
GRAND TOTAL	1,517,105,516	1,548,669,884

DEPARTMENT OF EDUCATION
 FB 2015-17 BIENNIAL BUDGET
 GENERAL FUND - OPERATING BUDGET SUMMARY BY PROGRAM ID (EDN)

Prog ID (EDN)	Department of Education Request		Governor's Decisions		House Draft (HB500 HD1)		Senate Draft (HB500 HD1 SD1)	
	FY 2015-16	FY 2016-17	FY 2015-16	FY 2016-17	FY 2015-16	FY 2016-17	FY 2015-16	FY 2016-17
Base Operating Budget (A)								
EDN100	874,127,740	894,384,016	874,127,740	894,384,016	874,127,740	894,384,016	874,127,740	894,384,016
EDN150	350,476,768	358,353,848	350,476,768	358,353,848	350,476,768	358,353,848	350,476,768	358,353,848
EDN200	50,789,072	51,825,145	50,789,072	51,825,145	50,789,072	51,825,145	50,789,072	51,825,145
EDN300	47,642,399	48,587,902	47,642,399	48,587,902	47,642,399	48,587,902	47,642,399	48,587,902
EDN400	166,318,716	167,698,100	166,318,716	167,698,100	166,318,716	167,698,100	166,318,716	167,698,100
EDN500	2,792,223	2,862,275	2,792,223	2,862,275	2,792,223	2,862,275	2,792,223	2,862,275
EDN700	2,764,000	2,764,000	2,764,000	2,764,000	2,764,000	2,764,000	2,764,000	2,764,000
GRAND TOTAL	1,494,910,918	1,526,475,286	1,494,910,918	1,526,475,286	1,494,910,918	1,526,475,286	1,494,910,918	1,526,475,286
Requests (B)								
EDN100	10,402,328	14,477,780	7,401,808	7,401,808	9,001,808	70,054,857	2,401,808	8,051,060
EDN150	3,400,000	3,400,000	2,000,000	2,000,000	(189,254)	(189,254)	2,000,000	1,000,000
EDN200	18,190,557	24,190,557	-	-	-	-	1,000,000	1,000,000
EDN300	7,699,691	5,370,205	-	-	4,860,332	2,530,846	4,903,492	4,903,492
EDN400	32,440,760	36,008,201	25,520,354	21,500,000	10,332,408	(59,556,756)	21,526,987	18,690,872
EDN500	-	-	-	-	-	-	-	-
EDN700	1,685,000	1,685,000	337,432	342,792	-	-	337,432	342,792
GRAND TOTAL	73,818,336	85,131,743	35,259,594	31,244,600	24,005,294	12,839,693	32,169,719	33,988,216
Total Budget (C = A + B)								
EDN100	884,530,068	908,861,796	881,529,548	901,785,824	883,129,548	964,438,873	876,529,548	902,435,076
EDN150	353,876,768	361,753,848	352,476,768	360,353,848	350,287,514	358,164,594	352,476,768	359,353,848
EDN200	68,979,629	76,015,702	50,789,072	51,825,145	50,789,072	51,825,145	51,789,072	52,825,145
EDN300	55,342,090	53,958,107	47,642,399	48,587,902	52,502,731	51,118,748	52,545,891	53,491,394
EDN400	198,759,476	203,706,301	191,839,070	189,198,100	176,651,124	108,141,344	187,845,703	186,388,972
EDN500	2,792,223	2,862,275	2,792,223	2,862,275	2,792,223	2,862,275	2,792,223	2,862,275
EDN700	4,449,000	4,449,000	3,101,432	3,106,792	2,764,000	2,764,000	3,101,432	3,106,792
GRAND TOTAL	1,568,729,254	1,611,607,029	1,530,170,512	1,557,719,886	1,518,916,212	1,539,314,979	1,527,080,637	1,560,463,502

DEPARTMENT OF EDUCATION
FB 2015-17 BIENNIAL BUDGET
GENERAL FUND - OPERATING BUDGET SUMMARY BY LENS

	Department of Education Request		Governor's Decisions		House Draft (HB500 HD1)		Senate Draft (HB500 HD1 SD1)		
	FY 2015-16	FY 2016-17	FY 2015-16	FY 2016-17	FY 2015-16	FY 2016-17	FY 2015-16	FY 2016-17	
Strategic Plan Goal									
Goal 1	22,114,928	33,764,180	9,401,808	33,599,474	3,212,554	2,212,554	4,401,808	9,051,060	
Goal 2	10,088,893	10,088,893	-	261,596	5,600,000	5,600,000	3,600,000	3,600,000	
Goal 3	41,614,515	41,278,670	25,857,786	25,236,280	15,192,740	5,027,139	24,167,911	21,337,156	
GRAND TOTAL	73,818,336	85,131,743	35,259,594	59,097,350	24,005,294	12,839,693	32,169,719	33,988,216	
Type of Request									
Basic Operations	50,872,599	56,186,006	34,922,162	30,901,808	24,005,294	12,839,693	26,928,795	28,741,932	
Strategic Investment	22,945,737	28,945,737	337,432	342,792	-	-	5,240,924	5,246,284	
GRAND TOTAL	73,818,336	85,131,743	35,259,594	31,244,600	24,005,294	12,839,693	32,169,719	33,988,216	
Direct Beneficiary									
School	69,082,743	80,396,150	35,259,594	31,244,600	22,005,294	10,839,693	30,866,227	32,684,724	
All Levels	4,735,593	4,735,593	-	-	2,000,000	2,000,000	1,303,492	1,303,492	
GRAND TOTAL	73,818,336	85,131,743	35,259,594	31,244,600	24,005,294	12,839,693	32,169,719	33,988,216	
Program ID (EDN)									
EDN100	10,402,328	14,477,780	7,401,808	7,401,808	9,001,808	70,054,857	2,401,808	8,051,060	
EDN150	3,400,000	3,400,000	2,000,000	2,000,000	(189,254)	(189,254)	2,000,000	1,000,000	
EDN200	18,190,557	24,190,557	-	-	-	-	1,000,000	1,000,000	
EDN300	7,699,691	5,370,205	-	-	4,860,332	2,530,846	4,903,492	4,903,492	
EDN400	32,440,760	36,008,201	25,520,354	21,500,000	10,332,408	(59,556,756)	21,526,987	18,690,872	
EDN500	-	-	-	-	-	-	-	-	
EDN700	1,685,000	1,685,000	337,432	342,792	-	-	337,432	342,792	
GRAND TOTAL	73,818,336	85,131,743	35,259,594	31,244,600	24,005,294	12,839,693	32,169,719	33,988,216	

DEPARTMENT OF EDUCATION
 FB 2015-17 BIENNIAL BUDGET
 GENERAL FUND - OPERATING BUDGET ADJUSTMENT REQUESTS

EDN	Priority No.	Request Title	Description	MOF	HD1 / SD1 Agree	Department of Education Request						House Draft (HB 500 HD1)						Senate Draft (HB 500 HD1 SD1)						Prog ID
						FY 2015-16			FY 2016-17			FY 2015-16			FY 2016-17			FY 2015-16			FY 2016-17			
						FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	
EDN100		Trade-off / Transfers	Transfer funds between cost elements in EDN 100 to reflect anticipated expenditures.	A	Agree: Trade Off/Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	VARIOUS	
EDN100		Trade-off / Transfers	Transfer one (1) permanent FTE and funds from the Hawaiian Language Immersion Program (EDN 100/BV) to Hawaiian Studies (EDN 100/CJ).	A	Agree: Trade Off/Transfers	(1,000)	-	(87,950)	(1,000)	-	(91,908)	(1,000)	-	(87,950)	(1,000)	-	(91,908)	(1,000)	-	(87,950)	(1,000)	-	(91,908)	16732
EDN100		Trade-off / Transfers	Transfer one (1) permanent FTE and funds from the Hawaiian Language Immersion Program (EDN 100/BV) to Hawaiian Studies (EDN 100/CJ).	A	Agree: Trade Off/Transfers	1,000	-	87,950	1,000	-	91,908	1,000	-	87,950	1,000	-	91,908	1,000	-	87,950	1,000	-	91,908	16807
EDN100		Trade-off / Transfers	Transfer funds from Weighted Student Formula (EDN 100/AA) to School Administration-Categorical (EDN 100/CB).	A	Agree: Trade Off/Transfers	-	-	(133,701)	-	-	(133,701)	-	-	(133,701)	-	-	(133,701)	-	-	(133,701)	-	-	(133,701)	42100
EDN100		Trade-off / Transfers	Transfer funds from Weighted Student Formula (EDN 100/AA) to School Administration-Categorical (EDN 100/CB).	A	Agree: Trade Off/Transfers	-	-	133,701	-	-	133,701	-	-	133,701	-	-	133,701	-	-	133,701	-	-	133,701	25040
EDN100		Trade-off / Transfers	Transfer funds from EDN100/RR to EDN100/BJ, EDN100/BX, and EDN400/MD	A	Agree: Trade Off/Transfers	-	-	(670,659)	-	-	(670,659)	-	-	(670,659)	-	-	(670,659)	-	-	(670,659)	-	-	(670,659)	91099
EDN100		Trade-off / Transfers	Transfer funds from EDN100/RR to EDN100/BJ	A	Agree: Trade Off/Transfers	-	-	255,855	-	-	255,855	-	-	255,855	-	-	255,855	-	-	255,855	-	-	255,855	VARIOUS
EDN100		Trade-off / Transfers	Transfer funds from EDN100/RR to EDN100/BX	A	Agree: Trade Off/Transfers	-	-	36,420	-	-	36,420	-	-	36,420	-	-	36,420	-	-	36,420	-	-	36,420	16173
EDN150		Trade-off / Transfers	Transfer funds between cost elements in EDN 150 to reflect anticipated expenditures.	A	Agree: Trade Off/Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	VARIOUS	
EDN150		Trade-off / Transfers	Transfer funds from EDN150/RR to EDN150/FB and EDN400/MD	A	Agree: Trade Off/Transfers	-	-	(923,920)	-	-	(923,920)	-	-	(923,920)	-	-	(923,920)	-	-	(923,920)	-	-	(923,920)	91599
EDN150		Trade-off / Transfers	Transfer funds from EDN150/RR to EDN150/FB	A	Agree: Trade Off/Transfers	-	-	132,460	-	-	132,460	-	-	132,460	-	-	132,460	-	-	132,460	-	-	132,460	17201
EDN200		Trade-off / Transfers	Transfer funds between cost elements in EDN 200 to reflect anticipated expenditures.	A	Agree: Trade Off/Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	VARIOUS	
EDN200		Trade-off / Transfers	Transfer funds from EDN200/RR to EDN400/MD	A	Agree: Trade Off/Transfers	-	-	(452,734)	-	-	(452,734)	-	-	(452,734)	-	-	(452,734)	-	-	(452,734)	-	-	(452,734)	92099
EDN300		Trade-off / Transfers	Transfer funds between cost elements in EDN 300 to reflect anticipated expenditures.	A	Agree: Trade Off/Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	VARIOUS	
EDN300		Trade-off / Transfers	Transfer funds from EDN300/RR to EDN400/MD	A	Agree: Trade Off/Transfers	-	-	(1,772,124)	-	-	(1,772,124)	-	-	(1,772,124)	-	-	(1,772,124)	-	-	(1,772,124)	-	-	(1,772,124)	93099
EDN300		Trade-off / Transfers	Transfer one (1) permanent FTE and funds from Business Services Administration (EDN 400/OB) to Fiscal Services (EDN 300/KF)	A	Agree: Trade Off/Transfers	1,000	-	33,720	1,000	-	33,720	1,000	-	33,720	1,000	-	33,720	1,000	-	33,720	1,000	-	33,720	47213
EDN300		Trade-off / Transfers	Transfer funds for WSF support from the Office of the Superintendent (EDN 300/KD) to Fiscal Services (EDN 300/KF).	A	Agree: Trade Off/Transfers	-	-	(6,000)	-	-	(6,000)	-	-	(6,000)	-	-	(6,000)	-	-	(6,000)	-	-	(6,000)	47274
EDN300		Trade-off / Transfers	Transfer funds for WSF support from the Office of the Superintendent (EDN 300/KD) to Fiscal Services (EDN 300/KF).	A	Agree: Trade Off/Transfers	-	-	6,000	-	-	6,000	-	-	6,000	-	-	6,000	-	-	6,000	-	-	6,000	33006
EDN400		Trade-off / Transfers	Transfer funds between cost elements in EDN 400 to reflect anticipated expenditures.	A	Agree: Trade Off/Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	VARIOUS	
EDN400		Trade-off / Transfers	Transfer one (1) permanent FTE and funds from Business Services Administration (EDN 400/OB) to Fiscal Services (EDN 300/KF)	A	Agree: Trade Off/Transfers	(1,000)	-	(33,720)	(1,000)	-	(33,720)	(1,000)	-	(33,720)	(1,000)	-	(33,720)	(1,000)	-	(33,720)	(1,000)	-	(33,720)	33009
EDN400		Trade-off / Transfers	Transfer one (1) permanent FTE and funds from Student Transportation (EDN 400/YA) to Business Services Administration (EDN 400/OB).	A	Agree: Trade Off/Transfers	(1,000)	-	(26,700)	(1,000)	-	(26,700)	(1,000)	-	(26,700)	(1,000)	-	(26,700)	(1,000)	-	(26,700)	(1,000)	-	(26,700)	19097
EDN400		Trade-off / Transfers	Transfer one (1) permanent FTE and funds from the (EDN 400/OB) to Fiscal Services (EDN 300/KF).	A	Agree: Trade Off/Transfers	1,000	-	26,700	1,000	-	26,700	1,000	-	26,700	1,000	-	26,700	1,000	-	26,700	1,000	-	26,700	33009
EDN400		Trade-off / Transfers	Transfer funds from EDN100/RR, EDN150/RR, EDN200/RR, EDN300/RR and EDN400/RR to	A	Agree: Trade Off/Transfers	-	-	3,647,425	-	-	3,647,425	-	-	3,647,425	-	-	3,647,425	-	-	3,647,425	-	-	3,647,425	35163
EDN400		Trade-off / Transfers	Transfer funds from EDN400/RR to EDN400/MD	A	Agree: Trade Off/Transfers	-	-	(252,723)	-	-	(252,723)	-	-	(252,723)	-	-	(252,723)	-	-	(252,723)	-	-	(252,723)	94099
EDN700	EOEL	Trade-off / Transfers	Transfer funds between cost elements in EDN700 to reflect anticipated expenditures.	A	Agree: Trade Off/Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	VARIOUS	
Agree: Trade Off/Transfers Total						-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

EDN	Priority No.	Request Title	Description	MOF	HDI / SDI Agree	Department of Education Request						House Draft (HB 500 HD1)						Senate Draft (HB 500 HD1 SD1)					
						FY 2015-16		FY 2016-17		FY 2015-16		FY 2016-17		FY 2015-16		FY 2016-17		FY 2015-16		FY 2016-17			
						FTE (P)	\$ Amount	FTE (T)	\$ Amount	FTE (P)	\$ Amount	FTE (T)	\$ Amount	FTE (P)	\$ Amount	FTE (T)	\$ Amount	FTE (P)	\$ Amount	FTE (T)	\$ Amount		
EDN100	29	Program Adjustment - EDN100 Olomana Hale Hoomalu	School Custodian (2209) (2) 12-Month Special School Teacher positions in each year of the biennium to provide educational services for juveniles at Hale Ho'omaluu detention facility in Kapolei.	A	Agree	102.775	73,811,270	102.775	85,124,529	23,775	2,000	23,775	2,000	23,775	2,000	23,775	2,000	81,775	32,162,653	81,775	7,000	33,981,002	
EDN100				A	Agree	(0.100)	(3,669)	(0.100)	(3,817)	(0.100)	(3,669)	(0.100)	(3,669)	(0.100)	(3,669)	(0.100)	(3,669)	(0.100)	(0.100)	(3,669)	(0.100)	2,000	(3,817)
EDN100				A	Agree	1.000	-	1.000	-	1.000	-	1.000	-	1.000	-	1.000	-	1.000	-	1.000	-	2.000	-
EDN100		Lahaiulana Boarding Department	(1) permanent Dorm Attendant in each year of the biennium to provide 24/7 dormitory adult supervision.	A	Agree	1.000	-	1.000	-	1.000	-	1.000	-	1.000	-	1.000	-	1.000	-	1.000	-	1.000	-
EDN150	30	Program Adjustment - EDN150	Educational Assistant 10-Mo (2321)	A	Agree	(0.125)	(3,397)	(0.125)	(3,397)	(0.125)	(3,397)	(0.125)	(3,397)	(0.125)	(3,397)	(0.125)	(3,397)	(0.125)	(0.125)	(3,397)	(0.125)	-	(3,397)
EDN150		Hawaii School for the Deaf and Blind	(2) permanent Interpreter III positions, and (1) temporary Data Processor (DP) Support Tech position in each year of the biennium HSDB to provide necessary communications services for students to maximize their learning potential.	A	Agree	2.000	-	2.000	-	2.000	-	2.000	-	2.000	-	2.000	-	2.000	-	2.000	-	2.000	-
EDN200		New FTE using existing funds-CSSS	(1) Temp Educational Spec II	A	Agree	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	1,000	-	-	-	-	1,000	-
EDN300		Leave Mgmt	(3) Administrative Services Assistants, (1) Account Operations Specialist II, (1) Secretary I in each year of the biennium to create a Leave Management Unit under the Operations Section to address all matters related to leave accounting processes and procedures and to address the backlog of leave audits for the Department's retirees and employees	A	Agree	5.000	-	5.000	-	5.000	-	5.000	-	5.000	-	5.000	-	5.000	-	5.000	-	5.000	-
EDN300		New FTE using existing funds-OITS	(4) 12-Mo State Off Tcher and convert (1) 12-Mo State Office Tcher from Temp to Perm. (1) Data Processing Systems Analyst IV (2) Data processing User Support Technicians II, (1) Info Tech Spec II, and (1) Info Tech Spec II conversion from Temp to perm	A	Agree	10.000	(2,000)	10.000	(2,000)	10.000	(2,000)	10.000	(2,000)	10.000	(2,000)	10.000	(2,000)	10.000	(2,000)	10.000	(2,000)	10.000	(2,000)
Agree Total						17.775	(7,066)	17.775	(7,214)	2.000	(2,000)	17.775	(7,066)	17.775	(7,214)	2.000	(2,000)	17.775	(7,066)	17.775	(7,214)	2.000	(7,214)

EDN	Priority No.	Request Title	Description	MOF	HD1 / SD1 Agree	Department of Education Request			House Draft (HB 500 HD1)						Senate Draft (HB 500 HD1 SD1)						Prog ID				
						FY 2015-16		FY 2016-17		FY 2015-16			FY 2016-17			FY 2015-16			FY 2016-17						
						FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount		FTE (P)	FTE (T)	\$ Amount	
EDN100	1	WSF Enrollment Increase	Add funds for projected enrollment increases in SY16 and SY17. Funding is needed to maintain the average per pupil funding level as appropriated in FY2014-15.	A	Disagree	-	-	2,401,808	-	-	8,051,060	-	-	2,401,808	-	-	2,401,808	-	-	2,401,808	-	-	8,051,060	42100	
EDN100	7	Workers Comp	\$2.0 million in each year of the biennium to help ensure the DOE Workers' Compensation (WC) Unit is able to administer the Department's WC Program and pay for all WC benefits and costs associated with the processing of these benefits and claims for individuals assigned to work which is to benefit the Department.	A	Disagree	-	-	2,000,000	-	-	2,000,000	-	-	2,000,000	-	-	2,000,000	-	-	-	-	-	-	23001	
EDN100	8	Hard To Fill	\$3.6 million in each year of the biennium to provide for the Hawaii State Teacher's Association (HSTA) contract provision (Appendix XI) recruitment/retention incentive for hard-to-staff locations as a recruitment tool for teacher candidates.	A	Disagree	-	-	3,600,000	-	-	3,600,000	-	-	3,600,000	-	-	3,600,000	-	-	-	-	-	-	25222	
EDN100		House Add-On: Student Travel for National Competitions		A	Disagree									1,000,000										House Adj	
EDN100		House Adj - Utilities - EDN 100		A	Disagree											62,053,049								House Adj	
EDN150	23	Skilled Nursing Svcs	Request for \$3.4 million per year to provide skilled nursing services to students, age three to twenty-two years as required by federal law, Individuals with Disabilities Education Improvement Act (IDEA) and Section 504 of the Rehabilitation Act of 1973.	A	Disagree	-	-	3,400,000	-	-	3,400,000	-	-	1	-	-	1	-	-	2,000,000	-	-	1,000,000	15623	
EDN150		House Adj - Hawaii School for the Deaf and Blind	(2) permanent Interpreter III positions, and (1) temporary Data Processor (DP) Support Tech position in each year of the biennium HSDB to provide necessary communications services for students to maximize their learning potential.	A	Disagree												(189,255)			(189,255)					17201
EDN200		Senate Adj - UH/DOE Collaboration (Hawaii Keiki Initiative)	Hawaii Keiki Initiative for school-based community health services		Disagree														1,000,000					1,000,000	
EDN300	5	eSIS (Student Information System) Replacement	(6) permanent 12-month State Office Teacher positions and \$4,860,331 for FY16 and \$2,530,845 for FY17 to purchase and implement the Student Information System.	A	Disagree	6,000	-	4,860,331	6,000	-	2,530,845	6,000	-	4,860,331	6,000	-	2,530,845	-	-	-	-	-	-	33021	
EDN300		House adj - Reduce temporary positions and funds		A	Disagree									(1)			(1)	-	-	-	-	-	-	VARIOUS	
EDN300		House adj - Add funds for vacation payout		A	Disagree									1			1	-	-	-	-	-	-	VARIOUS	
EDN300		House adj - Add funds for other current expenses		A	Disagree									1			1	-	-	-	-	-	-	VARIOUS	
EDN300		Senate Adj - Hard To Fill		A	Disagree													-	-	3,600,000	-	-	3,600,000	25222	
EDN300	9	Strategy, Innovation, and Performance Operations	(22) positions and \$1,902,060 for each year of the biennium to support improved functionality and coordination between data governance, assessment and accountability, and planning and evaluation functions. This is accomplished via the recently approved reorganization that combines the functions and staff of the Data Governance Office (DGO), Student Assessment Office (SAO), and the Office of Strategic Reform (OSR) under one organizational structure.	A	Disagree	22,000	-	1,902,060	22,000	-	1,902,060	-	-	-	-	-	-	15,000	-	1,303,492	15,000	-	1,303,492	A9049	
EDN400	3	Utilities	\$12.7 M in FY16 and \$12.9 M in FY17 to cover the projected shortfall in the department utility budget as program appropriations were cut in the last fiscal biennium before savings generated through the installation of energy generation equipment in schools were realized.	A	Disagree	-	-	9,000,000	-	-	9,000,000	-	-	1	-	-	1	-	-	9,000,000	-	-	9,000,000	37720	

EDN	Priority No.	Request Title	Description	MOF	HD1 / SD1 Agree	Department of Education Request			House Draft (HB 500 HD1)						Senate Draft (HB 500 HD1 SD1)						Prog ID			
						FY 2015-16			FY 2016-17			FY 2015-16			FY 2016-17			FY 2015-16				FY 2016-17		
						FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount		FTE (P)	FTE (T)	\$ Amount
EDN400	4	School Bus Contracts	\$7,403,261 for FY16 and \$10,676,641 for FY17 to cover budget shortfalls in school bus contracts which would ensure uninterrupted school transportation services to all eligible regular education and special education public school students in the next biennium.	A	Disagree	-	-	7,403,261	-	-	10,676,641	-	-	7,403,261	-	-	-	-	-	7,403,261	-	-	5,000,000	19097
EDN400	2	School Food Services	A restoration of \$9.1 million in General Funds for FY16 and \$9.2 million FY17 is requested to meet the projected shortfall for school food service programs, which must comply with USDA regulatory, nutritional and staffing requirements.	A	Disagree	-	-	9,117,093	-	-	9,281,513	-	-	2,929,146	-	-	2,496,292	-	-	5,123,726	-	-	4,690,872	35163
EDN400		House Adj - Utilities - EDN 400		A	Disagree											(62,053,049)	-	-	-	-	-	-	37720	
EDN700	EOEL	Preschool Admin-FTE	(21) Pre-School Teachers, (21) Educational Assistant IIs, (1) Educational Specialist II, and (6) State Office Teachers	A	Disagree	49.000	-	-	49.000	-	-	-	-	-	-	-	49.000	-	-	49.000	-	-	10301	
EDN700	EOEL	Preschool transfer	Per HRS, 302L-1.5, transferring to EDN700/PK from GOV 100/EL	A	Disagree							-	-	-	-	-	-	5.000	337,432	-	5.000	342,792	A9057	
Disagree Total						77.000	-	43,684,553	77.000	-	50,442,119	6.000	-	24,005,294	6.000	-	12,839,693	64.000	5.000	32,169,719	64.000	5.000	33,988,216	

EDN	Priority No.	Request Title	Description	MOF	HD1 / SD1 Agree	Department of Education Request			House Draft (HB 500 HD1)						Senate Draft (HB 500 HD1 SD1)						Prog ID			
						FY 2015-16			FY 2016-17			FY 2015-16			FY 2016-17			FY 2015-16				FY 2016-17		
						FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount		FTE (P)	FTE (T)	\$ Amount
EDN300	28	Teach for America	\$670,000 in both years of the biennium to cover anticipated contract costs to maintain the Teach for America (TFA) contract.	A	Agree - Zero Funding	-	-	670,000	-	-	670,000	-	-	-	-	-	-	-	-	-	-	-	-	33722
EDN400	16	Underground Injection Control (Cesspool)	An additional \$800,000 for each year of the biennium is being requested to meet the Environment Protection Agency (EPA) requirements of testing and monitoring Individual Wastewater System (IWS) statewide which ensure safe and healthy school environments.	A	Agree - Zero Funding	-	-	800,000	-	-	800,000	-	-	-	-	-	-	-	-	-	-	-	-	37711
EDN400	17	Fire Alarm	\$700,000 for each year of the biennium (FY 2015-16 and FY 2016-17) is requested to comply with fire code requirements regarding the testing and maintenance of the Fire Alarm Systems for 167 Oahu schools.	A	Agree - Zero Funding	-	-	700,000	-	-	700,000	-	-	-	-	-	-	-	-	-	-	-	-	37711
EDN400	18	AC Extra Work	An additional \$1.0 million for each year of the biennium is requested to cover the extra repair work for air conditioning (AC) equipment that is not included in the current maintenance service contracts for Oahu.	A	Agree - Zero Funding	-	-	1,000,000	-	-	1,000,000	-	-	-	-	-	-	-	-	-	-	-	-	37711
EDN400	19	Pest Control	An additional \$500,000 for each year of the biennium is requested to provide pest control services for Oahu schools, which are the responsibility of the Facilities Maintenance Branch (FMB).	A	Agree - Zero Funding	-	-	500,000	-	-	500,000	-	-	-	-	-	-	-	-	-	-	-	-	37711
EDN400	20	Tree Trimming	\$150,000 in each year of the biennium needed to procure Emergency Tree Trimming services to remove dead trees, fallen trees and branches for Oahu schools.	A	Agree - Zero Funding	-	-	150,000	-	-	150,000	-	-	-	-	-	-	-	-	-	-	-	-	37711
EDN400	24	Utilities	\$12.7 M in FY16 and \$12.9 M in FY17 to cover the projected shortfall in the department utility budget as program appropriations were cut in the last fiscal biennium before savings generated through the installation of energy generation equipment in schools were realized.	A	Agree - Zero Funding	-	-	3,770,406	-	-	3,900,047	-	-	-	-	-	-	-	-	-	-	-	-	37720
EDN700	EOEL	Preschool Admin	(2) Program Managers, (1) Operations Fiscal Manager, and (1) Data Analyst to staff the Executive Office on Early Learning	A	Agree - Zero Funding	4.000	-	290,000	4.000	-	290,000	-	-	-	-	-	-	-	-	-	-	-	-	10301
EDN700	EOEL	Preschool Expansion	Additional supplies for DOE-EOEL Prekindergarten Program.	A	Agree - Zero Funding	-	-	236,000	-	-	236,000	-	-	-	-	-	-	-	-	-	-	-	-	10301
EDN700	EOEL	Preschool Expansion	Additional supplies for DOE-EOEL Prekindergarten Program.	A	Agree - Zero Funding	-	-	159,000	-	-	159,000	-	-	-	-	-	-	-	-	-	-	-	-	10301
EDN700	EOEL	Preschool Other (FCIL)	For Family-Child Interaction Learning (FCIL) program to provide family engagement services for four-year old children and their families.	A	Agree - Zero Funding	-	-	1,000,000	-	-	1,000,000	-	-	-	-	-	-	-	-	-	-	-	-	10301
Agree - Zero Funding Total						8.000	11.000	30,133,783	8.000	11.000	34,689,624	-	-	-	-	-	-	-	-	-	-	-	-	

DEPARTMENT OF EDUCATION
 FB 2016-17 BIENNIAL BUDGET
 NON GENERAL FUND - OPERATING BUDGET ADJUSTMENT REQUESTS

EDN	Seq No.	Prog ID	Program Description	Description	MOF	Department of Education Request						House Draft (HB 500 HD1)						Senate Draft (HB 500 HD1 SD1)						
						FY 2015-16			FY 2016-17			FY 2015-16			FY 2016-17			FY 2015-16			FY 2016-17			
						FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	
EDN400	210-005, 210-006, 210-007	37307	COMMUNITY USE OF SCHOOL FACILITIES	Decrease the Community Use of School Facilities special fund ceiling by \$165,590 in FY 16 and \$304,025 in FY 17 and transfer funds from personal services to other current expenses.	B	-	-	(165,590)	-	-	(304,025)	-	-	(165,590)	-	-	(304,025)	-	-	(165,590)	-	-	(304,025)	
					B Total	-	-	(165,590)	-	-	(304,025)	-	-	(165,590)	-	-	(304,025)	-	-	(165,590)	-	-	(304,025)	
EDN100	101-001	18902	NCLB TITLE I LEA GRANT-SCHOOLS	Increase the NCLB Title I LEA Grant - Schools federal fund ceiling by \$2.7 million in FY 16 and \$859,730 in FY 17.	N	-	-	2,734,718	-	-	859,730	-	-	2,734,718	-	-	859,730	-	-	2,734,718	-	-	859,730	
EDN100	102-001	18085	NCLB Title III Language Instruction	Increase the NCLB Title III Language Instruction federal fund ceiling by \$406,286.	N	-	-	406,286	-	-	406,286	-	-	406,286	-	-	406,286	-	-	406,286	-	-	406,286	
EDN100	60-001	A9031	IMPACT AID - WEIGHTED STUDENT FORMULA	Decrease the Impact Aid - WSF federal fund ceiling by \$10 million.	N	-	-	(10,000,000)	-	-	(10,000,000)	-	-	-	-	-	(10,000,000)	-	-	(10,000,000)	-	-	(10,000,000)	
EDN100	100-001	15922	IMPACT AID - REGULAR INSTRUCTION	Increase the Impact Aid - Regular Instruction federal fund ceiling by \$531,226.	N	-	-	531,226	-	-	531,226	-	-	531,226	-	-	531,226	-	-	531,226	-	-	531,226	
EDN150	60-001	17901	IMPACT AID - SPECIAL EDUCATION	Decrease the Impact Aid - Special Education federal fund ceiling by \$531,226.	N	-	-	(531,226)	-	-	(531,226)	-	-	(531,226)	-	-	(531,226)	-	-	(531,226)	-	-	(531,226)	
EDN150	70-001	17929	TITLE VIB SPECIAL EDUCATION PROJECT I	Convert the means of financing for the Education of the Disabled Administration fund from P to N.	N	-	2,000	92,500	-	2,000	92,500	-	2,000	92,500	-	2,000	92,500	-	2,000	92,500	-	2,000	92,500	
EDN200	14-001, 15-001	25759	HOMELESS CONCERNS	Transfer funds from other current expenses to personal services for the Education for Homeless Children and Youth federal fund.	N	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
EDN400	100-001	36304	USDA STATE ADMIN EXPENSE FY15	Increase the USDA State Administration Expense federal fund ceiling by \$644,311.	N	-	-	644,311	-	-	644,311	-	-	644,311	-	-	644,311	-	-	644,311	-	-	644,311	
EDN400	101-001	35913	FOOD SERVICES-FEDERAL FUNDS	Increase the Food Services federal fund ceiling by \$6 million.	N	-	-	6,000,000	-	-	6,000,000	-	-	6,000,000	-	-	6,000,000	-	-	6,000,000	-	-	6,000,000	
EDN500	14-001, 15-001	46942	ADULT ED-BASIC FY15	Transfer from other current expenses to personal services for the Adult Education federal fund.	N	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
EDN700	31-001	A9056	Executive Office on Early Learning	Per HRS, 302L-1.5, transferring to EDN700/PK from GOV 100/EL.	N	-	-	-	-	-	1.00	125,628	-	1.00	125,628	-	1.00	125,628	-	1.00	125,628	-	1.00	125,628
					N Total	-	2,000	(122,185)	-	2,000	(1,997,173)	-	3,000	10,003,443	-	3,000	8,128,455	-	3,000	3,443	-	-	(1,871,545)	
EDN100	18-001, 19-001	15778	VOC ED-PROGRAM IMPROVEMENT FY12	Transfer \$1,000,000 from other current expenses to personal services for Voc-Ed Program Improvement discretionary federal fund.	P	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
EDN100	70-001	23050	WORKERS COMPENSATION-NON GENERAL FUND	Convert the means of financing for the Workers Compensation discretionary federal fund ceiling from P to U.	P	-	-	(1,000,000)	-	-	(1,000,000)	-	-	(1,000,000)	-	-	(1,000,000)	-	-	(1,000,000)	-	-	(1,000,000)	
EDN100	71-001	23051	UNEMPLOYMENT INSURANCE-NON GENERAL FUND	Convert the means of financing for the Unemployment Insurance discretionary federal fund ceiling from P to U.	P	-	-	(2,500,000)	-	-	(2,500,000)	-	-	(2,500,000)	-	-	(2,500,000)	-	-	(2,500,000)	-	-	(2,500,000)	
EDN100	61-001	19023	DOD-HOLDING	Decrease the DOD-Holding discretionary federal fund ceiling by \$6 million.	P	-	-	(6,000,000)	-	-	(6,000,000)	-	-	(6,000,000)	-	-	(6,000,000)	-	-	(6,000,000)	-	-	(6,000,000)	
EDN150	70-001	25946	EDUCATION OF THE DISABLED - ADMIN	Convert the means of financing for the Education of the Disabled Administration fund from P to N.	P	-	(2,000)	(92,500)	-	(2,000)	(92,500)	-	(2,000)	(92,500)	-	(2,000)	(92,500)	-	(2,000)	(92,500)	-	(2,000)	(92,500)	
EDN200	100-001	17968	NAEP STATE COORDINATOR (P APPRN)	Increase the NAEP State Coordinator discretionary federal fund ceiling by \$41,000.	P	-	-	41,000	-	-	41,000	-	-	41,000	-	-	41,000	-	-	41,000	-	-	41,000	
					P Total	-	(2,000)	(9,551,500)	-	(2,000)	(9,551,500)	-	(2,000)	(9,551,500)	-	(2,000)	(9,551,500)	-	(2,000)	(9,551,500)	-	-	(9,551,500)	
EDN100	14-001, 15-001	21500	OLELO EDUCATIONAL TV	Transfer funds from other current expenses to personal services for the Olelo Educational TV trust fund.	T	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
EDN100	16-001, 17-001	91008	OFFICE OF HAWAIIAN AFFAIRS	Transfer funds from other current expenses to personal services for the Office of Hawaiian Affairs trust fund.	T	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
EDN100	210-007, 210-008, 210-009	91007	ALU LIKE TRUST FUND	Increase the Alu Like trust fund ceiling by \$50,000 and transfer funds from other current expenses to personal services.	T	-	-	50,000	-	-	50,000	-	-	50,000	-	-	50,000	-	-	50,000	-	-	50,000	
EDN100	210-010, 210-011, 210-012	91005	DONATIONS & GIFTS TRUST FUND	Decrease the Donations and Gifts trust fund ceiling by \$2.2 million and transfer funds from other current expenses to personal services.	T	-	-	(2,200,000)	-	-	(2,200,000)	-	-	(2,200,000)	-	-	(2,200,000)	-	-	(2,200,000)	-	-	(2,200,000)	
EDN100	210-004, 210-005, 210-006	27200	ATHLETICS TRUST FUND	Increase the Athletics trust fund ceiling by \$401,606 in FY 16 and \$373,209 in FY 17 and transfer funds from personal services to other current expenses.	T	-	-	401,606	-	-	373,209	-	-	401,606	-	-	373,209	-	-	401,606	-	-	373,209	
EDN100	210-001, 210-002, 210-003	91006	FOUNDATION & OTHER GRANTS	Decrease the Foundation and Other Grants trust fund ceiling by \$5 million and transfer funds from other current expenses to personal services.	T	-	-	(5,000,000)	-	-	(5,000,000)	-	-	(5,000,000)	-	-	(5,000,000)	-	-	(5,000,000)	-	-	(5,000,000)	
EDN500	10-001, 11-001	17867	ADULT EDUCATION ENROLLMENT/TESTING FUND	Transfer \$1,000,000 from other current expenses to personal services for the Adult Education Enrollment/Testing trust fund.	T	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
					T Total	-	-	(6,748,394)	-	-	(6,776,791)	-	-	(6,748,394)	-	-	(6,776,791)	-	-	(6,748,394)	-	-	(6,776,791)	
EDN100	70-001	A9054	WORKERS COMPENSATION-INTERDEPARTMENTAL TRANSFER	Convert the means of financing for the Workers Compensation discretionary federal fund ceiling from P to U.	U	-	-	1,000,000	-	-	1,000,000	-	-	1,000,000	-	-	1,000,000	-	-	1,000,000	-	-	1,000,000	
EDN100	71-004	A9055	UNEMPLOYMENT INSURANCE-INTERDEPARTMENTAL TRANSFER	Convert the means of financing for the Unemployment Insurance discretionary federal fund ceiling from P to U.	U	-	-	2,500,000	-	-	2,500,000	-	-	2,500,000	-	-	2,500,000	-	-	2,500,000	-	-	2,500,000	
EDN200	12-001, 13-001	25322	ARTS IN PUBLIC PLACES	Transfer funds from other current expenses to personal services for the Arts in Public Places interdepartmental transfer fund.	U	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

EDN	Seq No.	Prog ID	Program Description	Description	MOF	Department of Education Request			House Draft (HB 500 HD1)						Senate Draft (HB 500 HD1 SD1)								
						FY 2015-16			FY 2016-17			FY 2015-16			FY 2016-17			FY 2015-16			FY 2016-17		
						FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
EDN500	210-001	45003	A+ SUBSIDY - DHS	Delete interdepartmental transfer fund ceiling of \$6.3 million for the A+ program subsidy from DHS.	U	-	-	(6,300,000)	-	-	(6,300,000)	-	-	(6,300,000)	-	-	(6,300,000)	-	-	(6,300,000)	-	-	(6,300,000)
					U Total	-	-	(2,800,000)	-	-	(2,800,000)	-	-	(2,800,000)	-	-	(2,800,000)	-	-	(2,800,000)	-	-	(2,800,000)
EDN100	12-001, 13-001	18928	RESOURCE DEVELOPMENT-GRANTS/APP	Transfer \$1,500,000 from other current expenses to personal services for the Resource Development - Grants / Applications revolving fund.	W	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EDN400	12-001, 13-001	90052	FACILITIES DEVLPMNT ASSESMT OPERATNG ACCT	Transfer funds from other current expenses to personal services for the Facilities Development Assessment Operating revolving fund.	W	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EDN400	210-001, 210-002, 210-003, 210-004	32600	ACT108/02 SCHOOL BUS FARE REVOLVING FUND	One-time increase of \$2.9 million in FY 16 for the School Bus Fare revolving fund and decrease in ceiling by \$134k in FY 17.	W	-	-	2,895,633	-	-	(133,788)	-	-	2,895,633	-	-	(133,788)	-	-	2,895,633	-	-	(133,788)
EDN500	12-001, 13-001	45004	AFTER SCHOOL PLUS PROG REVOLVING FUND	Transfer \$3,950,000 from other current expenses to personal services for the A+ program revolving fund.	W	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EDN500			Senate Adj - Revolving Fund Adjustment		W																		
					W Total	-	-	2,895,633	-	-	(133,788)	-	-	2,895,633	-	-	(133,788)	-	-	3,895,633	-	-	866,212

B - Special Funds
 N - Federal Funds
 P - Discretionary Federal Funds
 T - Trust Funds
 U - Interdepartmental Transfer Funds
 W - Revolving Funds

STAND. COM. REP. NO.

911

Honolulu, Hawaii

March 16, 2015

RE: H.B. No. 500

H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 500
entitled:

"A BILL FOR AN ACT RELATING TO THE STATE BUDGET,"

begs leave to report as follows:

The purpose of this measure is to appropriate funds for the
operating and capital improvement costs of the Executive Branch
for fiscal year (FY) 2015-2016 and FY 2016-2017.

The Office of the Lieutenant Governor; Department of
Agriculture; Department of Accounting and General Services;
Department of Business, Economic Development, and Tourism; Hawaii
Housing Finance and Development Corporation; Hawaii Strategic
Development Corporation; High Technology Development Corporation;
Department of Commerce and Consumer Affairs; Public Utilities
Commission; Department of Defense; Department of Education;
Department of Human Resources Development; Hawaii Public Housing
Authority; Hawaii Health Systems Corporation; State Council on
Developmental Disabilities; Department of Land and Natural
Resources; Kahoolawe Island Reserve Commission; Department of
Public Safety; Department of Transportation; Hawaii Invasive
Species Council; Kauai Invasive Species Committee; Big Island
Invasive Species Committee; Oahu Invasive Species Committee; Maui
Invasive Species Committee; Maui County Office on Aging; Mauna Kea
Watershed Alliance; Kauai Watershed Alliance; Partners in Care;
Waikiki Health; Hawaii Appleseed Center for Law and Economic
Justice; Community Alliance Partners of Hawaii Island; Catholic

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Charities Hawaii, Hawaii Island; Catholic Charities Hawaii; Hui for Excellence in Education; Community Health Outreach Work Project; Nature Conservancy; PHOCUSED; Princeville Utilities Company; Good Beginnings Alliance; REACH Out; Hawaii Association for Infant Mental Health; Ben Dyre Family Limited Partnership; Hawaii Green Growth; Pacific Rim Land, Inc.; and several individuals testified in support of this measure.

The Department of Hawaiian Home Lands; Hawaii Tourism Authority; State Public Charter School Commission; University of Hawaii; Hawaii Educational Policy Center; KCAA Preschools of Hawaii; Early Learning Advisory Board; Waianae Coast Early Childhood Services; Childcare Business Coalition; American Association of Retired Persons, Hawaii; Maui County Early Childhood Resource Center; COFACAN; Sex Abuse Treatment Center; Kamehameha Schools; Micronesian Health Advisory Coalition; and several individuals provided comments.

The Administration submitted a budget that totaled:

	<u>FY 2016</u>	<u>FY 2017</u>
General Funds	\$6,595,907,791	\$6,920,503,616
All Means of Financing	\$12,963,517,646	\$13,473,466,599

Your Committee on Finance has amended this budget to appropriate:

	<u>FY 2016</u>	<u>FY 2017</u>
General Funds	\$6,503,532,599	\$6,786,347,598
All Means of Financing	\$12,660,768,592	\$13,121,907,502

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 500, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 500, H.D. 1, and be placed on the calendar for Third Reading.

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Respectfully submitted on
behalf of the members of the
Committee on Finance,



A handwritten signature in black ink, appearing to read 'SYLVIA LUKE', is written over a horizontal line.

SYLVIA LUKE, Chair

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STAND. COM. REP. NO. **1360**

Honolulu, Hawaii

APR 08 2015

RE: H.B. No. 500
H.D. 1
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 500, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE STATE BUDGET,"

begs leave to report as follows:

The purpose and intent of this measure is to appropriate funds for the operating and capital improvement budget of the executive branch for the 2015-2017 fiscal biennium.

Your Committee received testimony in support of this measure from the Office of the Lieutenant Governor; Department of Accounting and General Services; Department of Commerce and Consumer Affairs; Department of Defense; Department of Education; Department of Human Resources Development; Department of Human Services; Department of Land and Natural Resources; Department of Taxation; University of Hawaii; Hawaii Health Systems Corporation; East Hawaii Region of Hawaii Health Systems Corporation; Hawaii Housing Finance and Development Corporation; Hawaii Public Housing Authority; Kaho'olawe Island Reserve Commission; Natural Energy Laboratory of Hawaii Authority; Public Utilities Commission; Office of Information Practices; Office of the Prosecuting Attorney, County of Hawaii; BIA Hawaii; Good Beginnings Alliance; PHOCUSED; Sex Abuse Treatment Center; Project Pono; East Maui Irrigation Co., Ltd.; Community Alliance Partners of Hawaii Island; Maui Invasive Species Committee; Keaukaha Community Association; Dole Food Company Hawaii; Kailapa Community Association; and twenty-two individuals.

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Your Committee received testimony in opposition to this measure from the Hawaii State Public Library System and one individual.

Your Committee received comments on this measure from the Department of Agriculture; Department of the Attorney General; Department of Budget and Finance; Department of Business, Economic Development, and Tourism; Department of Hawaiian Home Lands; Department of Health; Department of Public Safety; Department of Transportation; Hawaii Invasive Species Council; Hawaii Tourism Authority; State Council on Developmental Disabilities; Hawaii Community Development Authority; Hawaii Strategic Development Corporation; State Foundation on Culture and the Arts; State Public Charter School Commission; Mayor of the County of Maui; County of Kauai, Office of the Prosecuting Attorney; County of Maui, Department of Planning; Department of the Prosecuting Attorney, County of Maui; Early Learning Advisory Board; Maui County Early Childhood Resource Center; Catholic Diocese of Honolulu Office for Social Ministry; Child & Family Service; Coordinating Group on Alien Pest Species; Hawaii Appleseed Center for Law and Economic Justice; Hawaii Green Growth; Hui for Excellence in Education; High Technology Development Corporation; La'i'Opua 2020; Oahu Invasive Species Committee; Pana'ewa Hawaiian Home Lands Community Association; Partners in Care; Wai'anae Coast Early Childhood Services; YWCA of Hawaii Island; YWCA of Kauai; Conservation Council for Hawaii; Hawaii Forest Industry Association; AARP Hawaii; Big Island Invasive Species Committee; Princeville Utilities Company, Inc.; The Nature Conservancy; The Trust for Public Land; University of Hawaii at Manoa Graduate Student Organization; West Maui Mountains Watershed Partnership; and twenty-four individuals.

PART I. OVERVIEW

Your Committee has formulated an executive budget that is fiscally responsible and financially prudent and that:

- (1) Identifies and funds legislative priorities;
- (2) Reflects decisions based on sound justification;
- (3) Excludes placeholders for later deliberation;



- (4) Provides for the constitutional mandate for a tax refund or a budget reserve deposit for excess general fund revenues; and
- (5) Achieves a positive budgetary target faster than originally planned.

Your Committee finds that this budget balances the need to support important and essential public priorities with the desire to avoid overtaxing Hawaii's residents and businesses. Your Committee took a very disciplined approach and made difficult decisions on funding priorities to present a budget that is suitable for immediate passage.

Your Committee has approved a Senate Draft of the executive budget that reduces the operating budget request submitted by the Administration that took office in December 2014. The Senate Draft appropriates \$12,908,263,571 in all funds, inclusive of \$6,592,275,846 in general funds, for fiscal year 2015-2016 and \$13,408,223,702 in all funds, inclusive of \$6,909,376,812 in general funds, for fiscal year 2016-2017. The following table displays the results of your Committee's actions.

	Fiscal Year 2015-2016		Fiscal Year 2016-2017	
	All Funds	Gen. Funds	All Funds	Gen. Funds
Executive Request (Including Governor's Messages #1 & #2)	\$827,028,644	\$406,705,343	\$1,338,143,919	\$731,301,168
Senate Draft Change To Executive Request	(\$66,004,950)	(\$3,633,769)	(\$77,160,094)	(\$11,128,628)
Net Change	\$761,023,694	\$403,071,574	\$1,260,983,825	\$720,172,540

The net change of the Senate Draft results in an executive budget for fiscal biennium 2015-2017 as follows:



	Fiscal Year 2015-2016		Fiscal Year 2016-2017	
	All Funds	Gen. Funds	All Funds	Gen. Funds
Executive Budget Act 134, SLH 2013, As Amended By Act 122, SLH 2014	\$12,147,239,877	\$6,189,204,272	\$12,147,239,877	\$6,189,204,272
Net Change Of Senate Draft	\$761,023,694	\$403,071,574	\$1,260,983,825	\$720,172,540
Total Appropriation	\$12,908,263,571	\$6,592,275,846	\$13,408,223,702	\$6,909,376,812

PART II: ECONOMY

The State of Hawaii is projected to experience continued stable economic growth. Your Committee finds that:

- (1) The University of Hawaii Economic Research Organization (UHERO) projects that the real gross domestic product will grow by 3.8 percent in 2015, 2.6 percent in 2016, and 2.0 percent in 2017. The unemployment rate is projected to be 3.8 percent in 2015, 3.6 percent in 2016, and 3.4 percent in 2017; and
- (2) The Department of Business, Economic Development, and Tourism projects that the real gross domestic product will grow by 3.1 percent in 2015, 3.0 percent in 2016, and 2.9 percent in 2017. The civilian unemployment rate is projected to be 3.9 percent in 2015, 3.6 percent in 2016, and 3.4 percent in 2017.



PART III. GENERAL FUND REVENUES

The improving economy has resulted in increases of tax revenues that include, most importantly, general fund tax revenues, which are the most substantial source of funding for the State.

At its meeting of March 12, 2015, the Council on Revenues increased its forecasts of general fund revenues for fiscal year 2014-2015. The increase was fairly significant. The Council now forecasts that general fund tax revenue growth will reach 5.5 percent in fiscal year 2014-2015, rather than the 4.5 percent forecasted on January 6, 2015. The Council also kept its forecasts for the fiscal biennium 2015-2017 at 5.5 percent annually. While the percentage increase seems small, the dollar increase is substantial. The following table displays the result.

COUNCIL ON REVENUES - DIFFERENCE IN GENERAL FUND TAX REVENUES BETWEEN FORECASTS OF MARCH 12 AND JANUARY 6, 2015 (In \$Millions)			
	Fiscal Year 2014-2015	Fiscal Year 2015-2016	Fiscal Year 2016-2017
COR 03/12/15	5.5%	5.5%	5.5%
	\$5,665.6	\$5,977.2	\$6,306.0
COR 01/06/15	4.5%	5.5%	5.5%
	\$5,611.9	\$5,920.6	\$6,246.2
Difference	\$53.7	\$56.6	\$59.8

PART IV. COMMITTEE'S CONCEPTUAL FRAMEWORK

As a result of the increased revenue forecast, your Committee faced less pressure to reduce general fund appropriation requests than it did before the start of this Regular Session. Nevertheless, your Committee was cautious in its budget-making, refusing to take the convenient route of approving every funding request and, instead, scrutinizing the justification for each request and considering the long-term financial impact each would have. Many of your Committee's members were serving in the Legislature during the years of the Great Recession when general fund shortfalls in the billions of dollars had to be addressed by major cuts to state programs and the layoff and furlough of state employees. Learning from that experience, your Committee is

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reluctant to increase state government to a level that cannot be sustained if the economy moderates or contracts in the future.

Your Committee accomplished its budget-making duty in accordance with the following conceptual framework.

Legislative Priorities

Your Committee, in this budget, has exercised one of the basic duties of a legislative body: the appropriation of public funds based on legislative priorities (the other basic duty is the establishment of laws to promote the public health and safety and the general welfare).

Your Committee has chosen to fund various programs and projects that were not proposed by the Administration. This choice reflects your Committee's understanding of priorities of the Senate's members and constituents. Your Committee believes that all programs and projects funded in this manner are worthy.

Perhaps the best example of how your Committee has implemented legislative priorities is the transfer of authority over and funding for information technology and business modernization systems to the Office of the Governor. Your Committee is committed to increasing transparency and efficiency, especially in the procurement and delivery of programs and services. On that note, the significant number of separate requests from various departments and agencies to fund information technology projects and the scale of these requests were of great concern. Commonality, of systems and technology, an effort to streamline and find both operational and fiscal efficiencies across executive departments, as well as general oversight and management controls appear to be lacking. Consequently, in order to establish better controls, your Committee has taken the drastic step of placing the authority over new funding requests for information technology and business modernization systems with the Office of the Governor. Your Committee has inserted a proviso into this measure that lists the specific projects identified through this biennium budget, the appropriation for which may be expended by the Governor. Your Committee emphasizes that the Governor has the discretion to determine which of the listed projects to fund or not, and to allocate resources accordingly. To assist the Governor, your Committee has transferred a position and funds from the Office of Information Management and Technology. Your Committee notes that the list also includes two

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projects that are legislative initiatives. One is a business optimization system for the Department of Labor and Industrial Relations and the other is a student information system for the Department of Education.

Another example of how this measure implements a legislative priority is the change of means of financing for thirty-one filled positions in the Environmental Division of the Department of Health. Your Committee worked closely with the Department of Health to change the means of financing from the environmental response revolving fund to the general fund. As has been widely reported, the program supported by the fund is currently sustained by a loan from the treasury, and the Legislature was prompted to pass an emergency appropriation as a result of decreasing barrel tax revenues. Your Committee notes that funding positions and related fringe benefits with general fund moneys instead of environmental response revolving fund moneys provides the most sustainable option to optimally use revolving fund moneys for its intended purposes of responding to environmental emergencies. This strategy also provides the added benefit of increasing budgetary transparency and legislative oversight regarding the environmental programs of the Department of Health.

Your Committee addressed another legislative priority by continuing its commitment to paying the annual required contribution for other post-employment benefit obligations of the State. Act 268, Session Laws of Hawaii 2013, establishes a schedule for the annual required contributions intended to fully amortize the unfunded actuarial accrued liability of the State. The payments are substantial: \$742.8 million in fiscal year 2015-2016 and \$776.9 million in fiscal year 2016-2017. Your Committee has remained adamant that none of the appropriations for the payments be diverted to other public programs.

Reasoned Justification

Your Committee also has exercised its legislative duty to scrutinize funding requests of the Administration. When doing so, your Committee has examined the data objectively and relied upon factors such as program measures, unit costs, or base budget levels. In some cases, your Committee has denied a request for policy reasons, such as the denial of requests for lease rent in fiscal year 2016-2017 for departments that, at this time, plan to remain in the AAFES building on land now owned by the Office of Hawaiian Affairs in Kakaako makai. Your Committee believes that a

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search should commence for a more cost-beneficial alternative site for those state offices.

Exclusion of Placeholders

Your Committee has not used placeholders in this budget. Instead, your Committee has made appropriations for programs in amounts deemed necessary for operation. While this approach may result in a less favorable comparison to the reductions in this measure, as received, your Committee finds that it provides both legislative members and the general public with a true and realistic understanding of the costs we face, and makes clear what can and cannot be afforded based upon the existing obligations and commitments of the State. Your Committee also believes that its budget is more transparent and thus will elicit knowledgeable responses from affected departments that will be useful during Conference Committee deliberations.

Tax Refund/Budget Reserve Deposit Capacity

By maintaining appropriations at less than the level proposed by the Administration, your Committee believes that capacity is available for the tax refund or budget reserve deposit mandated in 2015 under Article VII, section 6, of the State Constitution. To comply with the mandate, your Committee has positioned a bill to increase the food/general excise tax credit as in 2007 and another bill to make a deposit into the emergency and budget reserve fund.

Target

Your Committee finds that this budget enhances the chance of achieving a target set by your Committee to reach positive revenues over expenditures by the end of fiscal biennium 2015-2017. General fund expenditures have exceeded revenues since fiscal year 2013-2014 and would have continued to do so through fiscal year 2017-2018 under the Administration's financial plan submitted in January. At that time, your Committee established the modest goal of reaching positive general fund revenues over expenditures by fiscal year 2016-2017, a year earlier. With the benefit of the increased revenue projection of the Council on Revenues in March and the spending restraint reflected in this budget, that target likely will be reached.

destruction caused by major disasters, your Committee has provided \$1,500,000 in general funds in fiscal year 2015-2016 to replenish the Major Disaster Fund.

Your Committee also approves adding 5.00 positions and \$219,181 in fiscal year 2015-2016 and \$602,637 in fiscal year 2016-2017 in general funds for the Hawaii Air National Guard Campus. These positions and funds will assist with the repair, maintenance, and daily operations of the recent upgrades and new building built on the campus to house F-22 aircraft.

Your Committee also approves \$778,000 in general funds and \$1,636,720 in other federal funds in fiscal year 2015-2016 to purchase much needed heavy equipment and other services needed to conduct burials and maintain the grounds at the Hawaii State Veterans Cemetery.

Education

The Senate Draft of the executive budget adjusts the Department of Education's appropriation as follows:

- (1) For fiscal year 2015-2016, by adding \$157,728,934 in general funds and reducing \$10,837,744 in non-general funds; and
- (2) For fiscal year 2016-2017, by adding \$126,189,088 in general funds and reducing \$7,841,395 in non-general funds.

The Administration's request was to add \$132,767,117 in general funds and reduce \$7,841,395 in non-general funds in fiscal year 2015-2016 and add \$161,476,306 in general funds and reduce \$10,837,744 in non-general funds in fiscal year 2016-2017.

Regular Education

Your Committee also approves \$3,600,000 in each fiscal year in general funds to provide incentives payments for hard-to-fill teaching positions. These funds will be used to pay recruitment and retention incentives for hard-to-staff locations as provided for in the collective bargaining agreement between the State and the exclusive representative for bargaining unit (5).



Your Committee approves \$2,401,808 in fiscal year 2015-2016 and \$8,051,060 in fiscal year 2016-2017 in general funds for the Weighted Student Formula (WSF). These funds are to accommodate anticipated increases in enrollment growth.

Your Committee also approves \$9,000,000 in each fiscal year in general funds to account for the projected shortfall in the Department's utilities budget. Having also heard the call for empowerment and more resources brought down to the school level, with utilities funds specifically being cited, your Committee is taking a different approach to the allocation of these funds in the second year of the biennium. While the need for empowerment is understood, one cannot discount the quiet concerns that have been raised that much of a principal's day is already spent performing operational and administrative functions that may take the focus away from academic and student growth, as well as teacher and staff development. To that end, your Committee is directing the Committee on Weights to devise a distribution formula to provide funds for electricity to individual schools and to create a set of metrics aimed at incentivizing savings.

Your Committee also approved \$5,123,726 in fiscal year 2015-2016 and \$4,690,872 in fiscal year 2016-2017 in general funds to meet the projected shortfall for school food services. It should be noted that this amount is based upon recent Board of Education committee actions to recommend an increase in school lunch prices by \$.25 beginning in the 2015-2016 school year and a concurrent reduction in the Department's request for this sequence for each fiscal year.

Your Committee approves \$7,403,261 in fiscal year 2015-2016 and \$5,000,000 in fiscal year 2016-2017 in general funds for contracts to provide school transportation services to eligible regular education and special education public school students.

Your Committee is also providing \$1,000,000 in both years of the fiscal biennium, with a requirement for \$500,000 in non-state matching funds in the second fiscal year to support the ongoing collaborative efforts between the Department and the University of Hawaii at Manoa School of Nursing and Dental Hygiene through their Hawaii Keiki Initiative, which has begun to strategically place certified registered nurses or advanced practice registered in schools in an effort to improve the health of students and lay the foundation for school-based community health services. Already in place, the program has had a transformative effect by allowing

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nurses to provide their schools with information on the kinds of health and wellness barriers encountered by their students. Discussions are underway with private providers, funders, and the Departments of Human Services and Health regarding the ongoing and future expansion and sustainability of the program, including the ability to increase qualified Medicaid reimbursements for Department of Education students.

Libraries

The Senate Draft of the executive budget adjusts the Hawaii State Libraries' appropriation as follows:

- (1) For fiscal year 2015-2016, by adding \$3,588,794 in general funds and reducing \$375,000 in non-general funds; and
- (2) For fiscal year 2016-2017, by adding \$3,790,509 in general funds and reducing \$375,000 in non-general funds.

The Administration's request was to add \$3,054,586 in general funds and \$375,000 in non-general funds in fiscal year 2015-2016 and \$3,293,211 in general funds and \$375,000 in non-general funds in fiscal year 2016-2017.

Your Committee approves 1.00 position and \$847,000 in fiscal year 2015-2016 and 10.5 positions and \$441,892 in fiscal year 2016-2017 in general funds for the new Nanakuli public library. The new state-of-the-art library is under construction and due to open in 2016. The positions and funds are to staff the library, which has a special focus on community outreach and business development. These funds will also be used for startup costs for furniture, books, and other materials.

Your Committee also approves \$500,000 in each fiscal year in general funds for the repair and maintenance backlog for all libraries statewide. These funds will help fund the backlog of repairs the Department of Accounting and General Services has deemed critical for health and safety.

Charter Schools

The Senate Draft of the executive budget adjusts the appropriation for charter schools as follows:

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- (1) For fiscal year 2015-2016, by adding \$9,887,829 in general funds; and
- (2) For fiscal year 2016-2017, by adding \$10,839,592 in general funds.

The Administration's request was to add \$5,693,796 in general funds in fiscal year 2015-2016 and \$6,615,134 in general funds in fiscal year 2016-2017.

Your Committee approves \$5,822,029 in general funds in fiscal year 2015-2016 and \$5,573,899 in general funds in fiscal year 2016-2017 for per pupil funding for charter school students.

Your Committee also approves the creation of a new program ID and funding for the State Charter School Commission in accordance with Act 122, SLH 2014. As such, your Committee approved the transfer of positions and \$2,004,550 in federal funds from charter schools into a new program for the State Charter School Commission. Your Committee also approves \$1,400,000 in general funds in each fiscal year to support the Commission's operations.

Early Learning

The Senate Draft of the executive budget adjusts the Early Learning program appropriation as follows:

- (1) For fiscal year 2015-2016, by reducing \$153,720 in general funds and adding \$125,628 in federal funds; and
- (2) For fiscal year 2016-2017, by reducing \$148,360 in general funds and adding \$125,628 in federal funds.

The Administration's request was to reduce \$153,720 in general funds and add \$125,628 in non-general funds in fiscal year 2015-2016 and reduce \$148,360 in general funds and add \$125,628 in non-general funds in fiscal year 2016-2017.

Your Committee approves 7.00 positions for the Early Learning Prekindergarten Program for resource teachers and an education specialist, reflecting an approval of existing positions and support for the continuation of the program.



Office of the Governor

The Senate Draft of the executive budget adjusts the Office of the Governor's appropriation as follows:

- (1) For fiscal year 2015-2016, by adding \$10,416,237 in general funds and \$10,077,498 in non-general funds; and
- (2) For fiscal year 2016-2017, by adding \$10,494,106 in general funds and \$16,757,498 in non-general funds.

The Administration's request was to add \$482,737 in general funds and reduce \$122,502 in federal funds in fiscal year 2015-2016 and add \$602,155 in general funds and reduce \$122,502 in federal funds in fiscal year 2016-2017.

Your Committee approves 1.00 position and \$112,500 in each fiscal year in general funds for executive branch information technology and business system improvement and modernization.

In addition, your Committee approves:

- (1) \$10,000,000 in each fiscal year in general funds;
- (2) \$1,800,000 in fiscal year 2015-2016 and \$1,600,000 in fiscal year 2016-2017 in special funds;
- (3) \$7,700,000 in fiscal year 2015-2016 and \$15,200,000 in fiscal year 2016-2017 in federal funds;
- (4) \$100,000 in fiscal year 2015-2016 and \$80,000 in fiscal year 2016-2017 in revolving funds; and
- (5) \$600,000 in fiscal year 2015-2016 in other federal funds,

for various projects transferred from other executive departments and agencies.

Your Committee also approves the transfer of 1.00 position to the Office of the Governor to assist the Governor in overseeing and implementing statewide technology and system upgrades, thus avoiding redundancies and inefficiencies. This coordinator will work at the direction of the Governor to determine the priority and immediacy of technology-related projects and provide

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Drft	Sec.	Dept	Prog ID	Provision
HD	6	EDN	EDN100	SECTION 6. Provided that of the general fund appropriation for school based budgeting (EDN100), the sum of \$1,000,000 or so much thereof as may be necessary for fiscal year 2015-2016 shall be expended for student travel support for national competitions; provided further that any funds not expended for this purpose shall not lapse to the general fund at the end of the fiscal year appropriated but shall be carried forward into subsequent years for the same purpose; and provided further that any unexpended funds shall lapse to the general fund on June 30, 2018.
HD	7	EDN	EDN100	SECTION 7. Provided that of the general fund appropriation for school-based budgeting (EDN100), the sum of \$62,053,049 shall be expended for utility costs in fiscal year 2016-2017; provided further the department of education shall develop a formula for the distribution of utility monies to each school based on historical utility consumption at that school; provided further that any utility savings realized at each school for fiscal year 2016-2017 shall be expended at the discretion of the principal of the school in compliance with chapter 302A, part V, Hawaii Revised Statutes; and provided further the department shall submit a report to the legislature detailing the methodology by which the funds will be distributed to each school no later than twenty days prior to the convening of the regular session of 2016.
HD	8	EDN	EDN150 EDN400	SECTION 8. Provided that the department of education shall pursue all avenues of Medicaid reimbursement to at least include: (1) Reimbursement for qualifying transportation services; (2) Reimbursement for qualifying skilled nursing services; and provided further that the department of education shall develop a plan to maximize Medicaid enrollment for qualifying individuals; and provided further, the department shall submit a report detailing its progress in pursuing Medicaid reimbursement and Medicaid enrollment to the legislature not later than twenty days prior to the convening of the regular session of 2016.
HD	9	EDN	EDN200	SECTION 9. Provided that of the general fund appropriation for instructional support (EDN200), the sum of \$592,000 or so much thereof as may be necessary for fiscal biennium 2015-2017 shall be expended for the purpose of sabbatical leave for teachers; and provided further that any funds not expended for this purpose shall lapse to the general fund at the end of the fiscal year for which the appropriation was made.
HD	84	EDN	EDNALL	SECTION 84. Provided that the director of finance shall ensure that non-facility per-pupil general fund amounts allocated for department of education and charter school students are equal on an annualized fiscal year basis; provided further that, for the purposes of this section, all general fund appropriations, except grants issued pursuant to chapter 42F, for school based budgeting (EDN 100), instructional support (EDN 200), state administration (EDN 300), school support (EDN 400), and early learning (EDN 700), shall be considered non-facility appropriations for the department of education; and provided further that, notwithstanding any other law to the contrary, for fiscal year 2015-2016 and fiscal year 2016-2017, the director of finance shall: (1) Determine the sum of general fund appropriations made for the department of education and charter school student non-facility costs; (2) Determine the sum of department of education and charter school student enrollment based upon verified actual student enrollment counts; (3) Determine a per-pupil amount by dividing the sum of general fund appropriations determined under paragraph (1) by the sum of student enrollment determined under paragraph (2); (4) Transfer a general fund amount between the department of education and charter schools prior to November 1, 2015, and November 1, 2016, respectively, that will provide each with a per pupil allocation equal to the amount determined on an annualized fiscal year basis under paragraph (3); and (5) Account for all calculations and transfers made pursuant to this section in a report to the legislature, governor, department of education, and charter schools within ten days of any transfer made pursuant to this section.

Drft	Sec.	Dept	Prog ID	Provision
SD	21	EDN	EDN400	<p>SECTION 21. Provided that:</p> <p>(1) The board of education shall establish a program to equitably distribute directly to schools the portion of the department of education's utility budget intended for electricity payment. The program shall empower school principals by increasing school level discretion over a greater portion of the education budget and incentivize the efficient use of electricity. The program shall be implemented in fiscal year 2016-2017;</p> <p>(2) Under the program:</p> <p>(A) The committee on weights shall recommend to the board of education a formula to allocate funds for the payment of electricity costs to each public school. The committee shall consider the use of the facilities of the public school for authorized after school athletic or community activities. The committee shall also recommend a method to adjust future appropriations for electricity to allow schools to benefit from increasing the efficient use of utilities in perpetuity; and</p> <p>(B) The principal of each public school shall use the allocation for the payment of electricity costs or other school expenses; and</p> <p>(3) The board of education shall submit a report on the program to the legislature no later than twenty days prior to the convening of the regular session of 2016.</p>
SD	22	EDN	EDN300	<p>SECTION 22. Provided that of the general fund appropriation for each fiscal year for state administration (EDN300):</p> <p>(1) \$3,600,000 for each fiscal year shall be expended for the payment of recruitment and retention incentives to teachers in hard-to-fill teaching positions;</p> <p>(2) With respect to teachers in hard-to-fill teaching positions in charter schools:</p> <p>(A) Their incentives shall be paid from the appropriation specified in paragraph (1), notwithstanding the fact that the appropriation is made under state administration (EDN300) instead of charter schools (EDN600); and</p> <p>(B) The superintendent of education and the executive director of the state public charter school commission shall develop procedures for the direct payment of incentives to teachers in hard-to-fill teaching positions in the charter schools; and</p> <p>(3) The superintendent of education shall submit a report to the legislature at least twenty days prior to the convening of the regular session of 2016 on the actions taken pursuant to this section.</p>
SD	23	EDN	EDN200	<p>SECTION 23. Provided that:</p> <p>(1) Of the general fund appropriation for instructional support (EDN200):</p> <p>(A) \$1,000,000 for fiscal year 2015-2016 and, subject to compliance with subparagraph (B), \$1,000,000 for fiscal year 2016-2017 shall be expended for the Hawaii keiki program intended to promote the health of public school students; and</p> <p>(B) The \$1,000,000 for fiscal year 2016-2017 shall be expended for the Hawaii keiki program only if, during that fiscal year, the department of education receives and expends non-state funds of at least \$500,000 for the program; and</p> <p>(2) The department of education shall submit a report to the legislature at least twenty days prior to the regular sessions of 2017 and 2018 on the activities of the program during the preceding fiscal year.</p>
SD	24	EDN	EDN400	<p>SECTION 24. Provided that the department of education's school support program (EDN400) shall prepare a report on the contract performance management program for student transportation, including a summary of the metrics employed, student transportation contractor compliance results, and any remedial actions or consequences resulting from findings of non-compliance; provided further that the department shall submit the report to the legislature no later than twenty days prior to the convening of the regular sessions of 2016 and 2017.</p>

Drft	Sec.	Dept	Prog ID	Provision
SD	34	EDN	GOV100 EDN300	<p>SECTION 34. Provided that of the appropriation for the office of the governor (GOV100):</p> <p>(1) The following amounts, at the discretion of the governor, may be expended for any of the projects listed under paragraph (2) and for no other purpose:</p> <p>(A) \$10,000,000 in general funds, \$1,800,000 in special funds, \$7,700,000 in federal funds, \$600,000 in other federal funds, and \$100,000 in revolving funds in fiscal year 2015-2016; and</p> <p>(B) \$10,000,000 in general funds, \$1,600,000 in special funds, \$15,200,000 in federal funds, and \$80,000 in revolving funds in fiscal year 2016-2017;</p> <p>.....(K) Student information system for state administration (EDN300);</p> <p>(3) Before expending any amount for a project listed under paragraph (2), the governor shall consult with the solutions architect and all administrative heads of the departments or agencies with jurisdiction over the listed projects;</p> <p>(4) The governor shall identify the special funds, federal funds, other federal funds, and revolving funds to be expended on the projects;</p> <p>(5) The governor may delegate to the administrative head of a department or agency the authority to make expenditures for a project under the administrative head's jurisdiction in accordance with this section;</p> <p>(6) When authorizing the expenditure for the listed projects, the governor, to the fullest extent possible, shall strive for a commonality and efficiency of information technology systems;</p> <p>(7) The governor may establish not more than five temporary positions and assign them to assist departments or agencies with projects funded under this section;</p>
SD	108	EDN	EDNALL	<p>SECTION 108. Provided that the director of finance shall ensure that non facility per-pupil general fund amounts allocated for department of education and charter school students are equal on an annualized fiscal year basis; provided further that, for the purposes of this section, all general fund appropriations, except grants issued pursuant to chapter 42F, for school based budgeting (EDN100), instructional support (EDN200), state administration (EDN300), school support (EDN400), and early learning (EDN700) shall be considered non-facility appropriations for the department of education; and provided further that, notwithstanding any other law to the contrary, for fiscal year 2015-2016 and fiscal year 2016-2017, the director of finance shall:</p> <p>(1) Determine the sum of general fund appropriations made for the department of education and charter school student non-facility costs;</p> <p>(2) Determine the sum of department of education and charter school student enrollment based upon verified actual student enrollment counts;</p> <p>(3) Determine a per-pupil amount by dividing the sum of general fund appropriations determined under paragraph (1) by the sum of student enrollment determined under paragraph (2);</p> <p>(4) Transfer a general fund amount between the department of education and charter schools prior to November 1, 2015, and November 1, 2016, respectively, that will provide each with a per pupil allocation equal to the amount determined on an annualized fiscal year basis under paragraph (3); and</p> <p>(5) Account for all calculations and transfers made pursuant to this section in a report to the legislature, governor, department of education, and charter schools within ten days of any transfer made pursuant to this section.</p>
SD	110	EDN	EDN500	<p>SECTION 110. Provided that the board of education shall:</p> <p>(1) Evaluate the feasibility of whether the fees charged for children participating in the afterschool plus (A+) program should be set on a sliding scale based on the income of an enrolled child's family, number of enrolled children from the same family, or other factors intended to generate additional revenues for the program in an equitable and efficient manner without discouraging enrollment; and</p> <p>(2) Submit a report to the legislature at least twenty days prior to the regular session of 2016 on the findings and recommendations of the evaluation and actions taken on fee amounts pursuant to this section.</p>

Drft	Sec.	Dept	Prog ID	Provision
SD	118	EDN	EDN400	<p>SECTION 118. Provided that the department of education shall submit a report to the legislature at least twenty days prior to the convening of the regular session of 2016:</p> <ul style="list-style-type: none"> (1) Reporting the percentage of locally grown or raised food procured for the school district's food lunch program and, of those locally procured, a break down by commodity and geography; (2) Evaluating the barriers to the procurement of more locally grown or raised food by schools; and (3) Recommending measures to promote the procurement of more locally grown or raised food by schools, including such options as multiple school food agencies within the district.

School	Project	DOE FY 2016	DOE FY 2017	Governor FY 2016	Governor FY 2017	HB500 HD1 FY 2016	HB500 HD1 FY 2017	HB500 SD1 FY 2016	HB500 SD1 FY 2017
Lump Sum - Project Positions (EDN 400)		6,500	5,400	6,500	6,500	6,500	6,500	6,500	6,500
Lump Sum - Project Adjustment		2,000	2,000					1,000	1,000
Lump Sum - Condition		134,000	64,300	100,000	100,000	134,000	129,000	100,000	100,000
Lump Sum - Program Support		28,700	23,900			6,000	1,000	6,000	1,000
Lump Sum - Capacity		144,000	170,750					34,000	29,000
Lump Sum - Equity		91,000	40,500			15,313	2,955	15,313	2,955
Other (Specific Projects Added by Legislature Listed Below)		0	0	0		91,062	10,575	37,276	1,500
Aiea IS	Applied Technology Center							3,200	
Ala Wai ES	Reroof Cafeteria							250	
Ala Wai ES	Renovation of the Innovation Center					180			
Ala Wai ES	Parking Lot Resurface					300			
Anuenue Hawaiian Immersion School	Locker Shower					350			
August Ahrens ES	Electrical Upgrade					750			
Castle HS	Cafeteria Expansion					4,117			
Central MS	Repainting All Buildings					300			
Central MS	Repaving and Resurfacing of Parking Lots					310			
Dole MS	Improvement of School Facilities					2,000			
Ewa Beach ES	Electrical Upgrade					780			
Ewa Beach ES	Electrical Upgrade					4,600			
Farrington HS	Campus Modernization					10,000			
Fern ES	Covered Walkway							136	
Hilo IS	Building A Renovation Phase 1						2,000		
Honokaa HS	Bleachers					1,000			
Honowai ES	Phase 1B of Administration Building						2,373		
Ilima IS	Campus Wide Heat Abatement							7,000	
Jefferson ES	Fence Replacement							60	
Jefferson ES	PV System for Aquaponics System					150			
Kaaawa ES	Portable Administration Building							800	
Kailua HS	Design for a Performing Arts Center					1,400			
Kaimuki HS	Phase II of Road Paving					1,000			
Kaimuki HS	Doorway Installation					250			
Kaimuki MS	Conversion to a Science Lab					600			
Kalaheo HS	Rewire Fire Alarm							240	
Kalani HS	Multipurpose Athletic Athletic Facility					3,500			
Kaleiopuu ES	Covered Walkway					1,450			

School	Project	DOE FY 2016	DOE FY 2017	Governor FY 2016	Governor FY 2017	HB500 HD1 FY 2016	HB500 HD1 FY 2017	HB500 SD1 FY 2016	HB500 SD1 FY 2017
Kalihi Uka ES	Ceiling Fans							20	
Kamalii ES	Resurface Playcourt					280			
Kapolei MS	New Bus Lanes					100		1,800	
Kapolei MS	Additional Parking					100			
Kealakehe ES	Additional Parking					300			
King IS	Repair Bldg C Bathroom Pipes					350			
Kula ES	Water Filtration System					1,000			
Lahainaluna HS	Eight Classroom Building							10,000	
Lanakila ES	Gate Installation					5			
Leilehua HS	New Science/Classroom Building					1,000			
Liholiho ES	Parking Lot Expansion					250			
Lincoln ES	Renovate Playground					5			
Lunalilo ES	Renovate Playground					50			
Lunalilo ES	Electrical Upgrade					500			
Lunalilo ES	Electrical Upgrade					310			
Maemae ES	Renovation of Basbetball Courts					1,500			
Makakilo ES	ADA Compliance					1,045			
Makawao ES	Covered Playcourt					2,000			
Manoa ES	Playground Improvements					1,000			
Maui HS	Renovate Choir Building						4,050		
Maui HS	Replace Gymnasium Floor					215			
Maui HS	Weight Training Room					2,700			
Mililani MS	Plan & Design for 15 Classroom Buildings						1,500		1,500
Mililani Uka ES	Electrical Upgrade					500			
Moanalua HS	Phase II of Performing Arts Center					12,000			
Molokai HS	Renovate Gym/Emergency Shelter					3,500			
Mountain View ES	Drainage Improvements & Raised Covered Walkway					230			
Noelani ES	Library Expansion					1,000		800	
Palisades ES	Parking Lot Expansion & Retaining Wall					1,100			
Palolo ES	Replace Playground Equipment					100		100	
Pearl City ES	Electrical Upgrade					2,000			
Pearl Ridge ES	Buildings H & J AC							2,480	
Pukalani ES	Landscaping						652		
Radford HS	Renovate Multi-Media Lab							3,000	
Senate District 2 Schools	Laptop Computers and Infrasructure							2,300	
Waiakea HS	Baseball Batting Cage					450			

School	Project	DOE FY 2016	DOE FY 2017	Governor FY 2016	Governor FY 2017	HB500 HD1 FY 2016	HB500 HD1 FY 2017	HB500 SD1 FY 2016	HB500 SD1 FY 2017
Waialua HS & IS	Drainage System							240	
Waianae ES	Administration Building					1,000			
Waianae HS	Connect Two Buildings							2,000	
Waihee ES	Administration Building					9,000			
Waikoloa ES & MS	Classroom Building					1,580			
Waimalu ES	Electrical Upgrade					1,750			
Waimanalo ES	STEM Building					3,350			
Waimea Canyon MS	Outdoor Playcourt					1,500			
Waipahu ES	Electrical Upgrade					2,500		2,500	
Waipahu HS	Upgrade Culinary Academy							350	
Washington MS	Recording Studio					1,750			
Washington MS	Renovate Computer Classroom Bldg C					255			
Webling ES	Electrical Upgrade					1,750			
		406,200	306,850	106,500	106,500	252,875	150,030	200,089	141,955