



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

OFFICE OF THE SUPERINTENDENT

October 20, 2015

TO: The Honorable Grant Chun
Chairperson, Committee on Finance and Infrastructure

FROM:  Kathryn S. Matayoshi
Superintendent

SUBJECT: **Committee Action on Recommendation Concerning Department of Education's Operating Budget: Budget Restriction Implementation for Fiscal Year 2015-2016**

1. RECOMMENDATION

It is recommended that the Board of Education (Board) adopt the Department's recommendation for Fiscal Year (FY) 2015-16 revised general fund restriction plan. (See Attachments A and B.)

The total restriction target for the Department remains at \$14,726,214, of which the Governor classified as \$4,823,015 for a 5% restriction, \$4,823,015 for a 5% contingency restriction, and \$5,080,184 for other allocation adjustments.

2. RECOMMENDED EFFECTIVE DATE

Upon approval.

3. RECOMMENDED COMPLIANCE DATE

Same as effective date.

4. DISCUSSION

a. Conditions leading to the recommendation

On June 22, 2015, the Governor issued Executive Memorandum (EM) 15-01, Interim Budget Execution Policies and Instructions for FY16. This memorandum announced the release of the first quarter allotment of Act 119, Session Laws of Hawaii 2015 (Act 119/15) appropriations to the Department,

less 10% of the general fund “discretionary” budget. The amount of the first quarter general fund appropriation withheld was \$6,729,068. This memorandum also stated, “To ensure that our fiscal actions are appropriate given the uncertainty regarding general fund revenues, the issuance of full-year budget execution policies for FY 16 is being delayed.”

On August 18, 2015, the Finance and Infrastructure Committee was provided with an update on restrictions. This update included a copy of EM 15-01, a copy of the Department’s request to the Governor to expand programs classified by the Administration as “non-discretionary” for purposes of determining the Department’s level of restriction, and a copy of the request returned without action.

On August 24, 2015, the Governor issued EM 15-03, FY 16 Budget Execution Policies and Instructions, informing the Department of its \$14,726,214 Executive restriction. (See Attachment C.) This memorandum also acknowledged:

- “FY15 ended with a higher than anticipated general fund balance of \$828.1 million;”
- “With a healthy general fund balance, FY 16 is off to a positive start...;”
- “Hawaii’s major economic drivers continue to show strength through 2015,” and
- “We must continue to be prudent and responsible with our expenditures to ensure the State’s fiscal stability this fiscal year and beyond. Therefore, we will continue our cautious approach until the revenue picture becomes clearer.”

On September 3, 2015, the Council on Revenues (COR) held their quarterly meeting and reported higher than projected actual general fund revenues for FY 15, and made an upward projection for FY 16 and FY 17.

Report Date	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>
9/14/14	6,201,227	6,503,030	6,839,546
1/16/15	6,342,271	6,558,019	6,890,775
3/12/15	6,395,142	6,613,028	6,948,891
5/21/15	6,517,170	6,566,100	6,953,021
9/03/15	6,577,385	6,759,900	7,123,157
Δ 9/14 to 9/15	376,158	256,871	283,611

(in thousands)

The latest COR report reflects a cumulative improvement over the same period for general fund revenues of +\$916.6 million compared to their report from just one year prior.

On September 15, 2015, a Department recommendation was presented to the Board's Finance and Infrastructure Committee to address the \$14,726,214 restriction imposed.

Action by the Board on approval of the restriction, as proposed, was deferred and the Department was instructed by the Board to rework the recommendation to more closely align with the Governor's basis for the restriction target. The target was calculated by the Governor based on the classification of discretionary and non-discretionary programs at the EDN level of the appropriation. As such, this revised plan more closely aligns with the Administration's basis for the restriction target calculation.

b. Previous action of the Board on the same or similar matter

On October 21, 2014, the Finance and Infrastructure Committee and Board approved the Department's "Recommendation on the Fiscal Biennium (FB) Operating Budget for 2015-17."

On June 2, 2015, the Finance and Infrastructure Committee and Board approved the Department's "Recommendation Concerning Department of Education's Operating Budget: Implementation of Fiscal Year 2016."

On September 15, 2015, the Finance and Infrastructure Committee deferred action on the Department's "Recommendation concerning Department of Education's operating budget: budget restriction implementation for Fiscal Year 2015-2016."

c. Other policies affected

1200-1.5 Board of Education Roles and Responsibilities: 4. Review and approve the Board/Department/Public Library budgets; ensure congruence of spending priorities with the Board's goals and objectives. Establish policies to guide restrictions and expenditures.

1200-1.11 Budget Restrictions and Reductions: If budget restrictions are imposed by the Governor, the Superintendent shall notify the Board and provide it with comprehensive lists of recommended restrictions or reductions by program, function and cost, which shall be approved by the Board before they are forwarded to the Governor.

1200-1.12 Department of Education Budget: Any Department proposal to make adjustments in the operating budget and Capital Improvements Program budget shall require prior approval of the Board...

d. Arguments in support of the recommendation

The recommendation will enable the Department to meet the Administration's restriction.

e. Arguments against the recommendation

All programs, regardless of their budget classification by EDNs, support schools and the Department's Strategic Plan, and as a result any withholding of legislatively appropriated funds will impact the Department's capacity to positively impact student achievement and school support.

f. Other agencies or departments of the State of Hawaii involved in the action

None.

g. Possible reaction of the public, professional organizations, unions, DOE staff and/or others to the recommendation

In the near term, possible reaction from school communities will likely be supportive of the restriction as proposed today, since the Weighted Student Formula (WSF) funding that schools' Financial Plans developed for school year 2015-16 were based on a value of 1.0 equal to \$3,825.47. The actual value of 1.0 using the August 2015 actual enrollment is \$3,870.25. The increase is attributed to the actual enrollment being lower than projected, allowing the WSF enrollment reserve (valued at \$3.7 million) to be distributed to schools using per pupil formula, plus the \$2.4 million added by the Legislature in anticipation of an enrollment increase.

In the long term, school communities could feel an impact from reductions as proposed in EDN200 and 300 in the areas of human resource management (hiring, investigations), information technology (travel, overtime and to support all island schools), finance (leave management support) and complex area support reductions (mentors, AVID, training).

Reaction from Department program managers is one of frustration, since for the past several years the Department has asked the state and complex areas, including the Board of Education's budget, to carry the burden of the imposed restrictions and budgetary cuts.

h. Educational implications

The restriction will affect the quality, speed and amount of support services the Department will be able to provide all schools.

i. Personnel implications

Delay in filling approximately 30 various positions is anticipated to help meet the required level of the Administration's restriction but could burden existing staff in covering multiple functions/roles to accomplish support and tasks that must still be completed.

5. OTHER SUPPLEMENTARY RECOMMENDATIONS

If the Council on Revenues forecast and actual collections remain positive, the Administration may release the contingency restriction, at which time the Department will look to restore funds to the following, but not limited to, complex areas, School Transformation, Information Technology programs and Utilities.

KSM:BH:KK:ks
Attachments

c: Amy S. Kunz, Senior Assistant Superintendent and CFO
Budget Branch

Governor's Restriction
Department Recommendation to Meet Target

Attachment A

GOVERNOR'S RESTRICTION CALCULATION BASED ON CLASSIFICATION OF PROGRAMS AS DISCRETIONARY (EM15-03)		
EDN100	57,000	10% of GIAs
EDN200	5,058,630	10% of GIA, other "Discretionary," & Oth Adj of \$1.08m
EDN300	5,670,584	10% of "Discretionary"
EDN400	4,000,000	Other Adj. of \$4 million
EDN500	20,000	10% of GIA
EDN700	20,000	10% of GIA
Exec Restriction Sub Total	14,826,214	
Less \$1 million exclusion	(100,000)	
EXECUTIVE RESTRICTION	14,726,214	
DEPARTMENT RECOMMENDATION TO MEET EXECUTIVE RESTRICTION TARGET		
	Amount	Adjustment
	(1,276,000)	COFA Reimbursement Offset
	(475,000)	* Estimate of Charter School True Up attributed to EDN200 & 300
	(950,000)	* Estimate of Charter School True Up attributed to EDN400
	(2,701,000)	
		* Adjustment based on actual charter school enrollment.
EDN100	(9,500)	GIA-Center for Tomorrow's Leaders
EDN100	(32,500)	GIA-Hawaii Agricultural Foundation
EDN100	(150,000)	GIA-Hui Malama Learning Center
EDN200	(25,000)	GIA-Leilehua Alumni/Community Association
EDN500	(20,000)	GIA-Read To Me International Foundation
EDN700	(20,000)	GIA-Kamalapua O Koolau
	(257,000)	
EDN200	(4,181,494)	Described below
EDN300	(3,586,720)	Described below
EDN400	(4,000,000)	Utilities
Total Exp Plan Adjustments	(11,768,214)	

FY16 Restriction Plan Recommendation - Details

Attachment B

EDN	Prog ID	Prog ID Description	Budget	10-20-15 FIC Recommended Board Restriction						Comments
				A	A1	B	C	M	Total	
200	25240	ICAA CI-Quality And Performance	18,251,641	810,104	15,793	84,211	2,474	-	912,582	5% of all characters of expenditure for Complex Area Support
200	15497	Athletics Administration	515,425	-	-	702	-	-	702	10% of non A
200	15655	Haw Content & Perform Stand-Training	245,700	-	-	-	-	-	-	No restriction. Restriction would curtail professional development for core instructional programs to support implementation of state standards such as Hawaii Common Core, C3 Social Studies framework, and arts integration throughout the subjects.
200	16772	Teleschool	897,235	25,000	-	16,314	8,500	-	49,814	10% of non A and delay in hire for 1.0 classified position that will impact support for new digital media technology.
200	25023	Instructional Development-Admin Svcs	363,830	-	-	3,700	149	-	3,849	10% of non A
200	25024	Instructional Services Branch	1,636,669	-	400	3,733	1,000	-	5,133	10% of non A
200	25045	Student Support Services Group-Admin	204,918	-	-	5,892	-	-	5,892	10% of non A
200	25048	Hawaii Virtual Learning Network	1,340,976	-	-	38,920	-	-	38,920	10% of "B". Will curtail professional development for educators.
200	25230	English Language Proficiency (ELP) Standards/Assessments Implementation	855,514	-	-	82,551	-	-	82,551	10% of non A. Will hinder continued program improvement and professional development delivery in support of English language proficiency programs.
200	25237	Student Support Section	984,890	50,000	-	16,433	10,000	-	76,433	10% of non A and delay in hire for Education Specialist, which will impact program management and oversight
200	25242	School Based Behavioral Health Services	1,020,182	-	-	-	-	-	-	No restriction
200	25759	Homeless Concerns	576,269	58,959	-	-	-	-	58,959	Delay in hire for State Office Teacher.
200	25912	Advance Tech Research Branch-Admin	292,447	-	-	25,891	-	-	25,891	10% of non A
200	28177	Comprehensive Student Support Services - Support System	109,100	88,512	-	-	-	-	88,512	Do not fill Education Specialist position as incumbent has been temporarily assigned to Project Aware Director position
200	25020	Employee Performance Management	19,998	-	-	1,540	460	-	2,000	10% of non A
200	25115	Sabbatical Leave-Teachers	892,000	-	-	-	-	-	-	No restriction
200	25234	Leadership Development	3,836,947	376,025	7,670	-	-	-	383,695	Due to fewer Certification Institute for School Leader (CISL) positions being filled this year
200	25758	Nationally Board Certified Teachers	2,319,525	-	-	-	-	-	-	No restriction
200	15654	Haw Content/Perform Stand-Assessment	9,167,179	-	-	2,000,000	-	-	2,000,000	\$2 million from testings \$8.7 million B budget due to non-recurring reduction in expenses
200	25218	Educator Effectiveness System	600,000	-	-	60,000	-	-	60,000	10% of non A
200	25219	Coordinated Support	257,146	-	-	25,200	-	-	25,200	20% of non A
200	25220	School Transformation	4,766,046	-	-	301,705	-	-	301,705	10% of non A
200	25233	Sch Improvement/Comm Leadership Grp-Adm	102,988	-	700	-	-	-	700	10% to non A
200	33004	Systems Accountability Office	1,438,672	40,000	-	14,956	4,000	-	58,956	10% of non A and delay in hire for Research Statistician position
200 Total				1,448,600	24,563	2,681,748	26,583	-	4,181,494	
300	33001	Duplicating Services	108,225	-	-	10,823	-	-	10,823	10% of non A
300	33006	Budget	1,312,439	15,000	-	2,535	1,200	-	18,735	10% of non A and delay in hire for an Office Assistant
300	33010	Accounting Services	3,315,938	200,000	-	46,627	1,500	-	248,127	10% of non A and delay in hire for Leave Management, Accountants, and Pre-Audit Clerks
300	34001	Procurement Services	719,679	40,000	-	2,803	400	-	43,203	10% of non A and delay in hire for (2) Procurement and Contract Support Specialists

FY16 Restriction Plan Recommendation - Details

Attachment B

EDN	Prog ID	Prog ID Description	Budget	10-20-15 FIC Recommended Board Restriction						Comments
				A	A1	B	C	M	Total	
300	47213	Fiscal Services	465,738	90,000	-	1,323	300	-	91,623	10% of non A and delay in hire for Fiscal Specialist III position
300	15125	Blood Pathogen Control	63,592	-	-	-	-	-	-	No restriction
300	15689	Recruitment And Retention Incentive	40,365	-	-	4,037	-	-	4,037	10% of non A
300	23052	Workers Compensation-Administration	793,077	-	-	1,580	-	-	1,580	10% of non A
300	33034	Teacher Mentor Program	378,932	-	-	37,893	-	-	37,893	10% of non A
300	33122	Para Educator Training Program	43,787	-	-	4,379	-	-	4,379	10% of non A
300	33292	Personnel Development Branch	3,054,558	-	4,150	126,545	250	-	130,945	10% of non A
300	33719	Service And Merit Awards	1,643	-	-	164	-	-	164	10% of non A
300	33721	Personnel Assistance Branch	1,227,773	50,000	-	15,456	761	-	66,217	10% of non A and delay in hire for Labor Relations position(s)
300	33722	Personnel Management Branch	6,090,615	-	-	69,718	2,000	-	71,718	10% of non A
300	33829	Criminal History Check	606,867	-	-	-	-	-	-	No restriction
300	33926	Office Of Human Resources	1,459,437	-	2,050	87,823	450	-	90,323	10% of non A
300	33021	Enterprise Systems	8,883,925	-	2,429	812,891	156,523	-	971,843	17.66% of non A
300	33057	Enterprise Architecture	329,005	-	-	24,904	-	-	24,904	17.66% of non A
300	33058	Information Technology Project Mgmt	1,025,891	-	-	114,272	310	-	114,582	17.66% of non A
300	33059	School Technology Services & Support	4,248,329	-	-	239,182	21,422	-	260,604	17.66% of non A
300	33084	Office Of Info & Tech-General Direction	1,507,260	-	-	219,992	565	-	220,557	17.66% of non A
300	33088	School Process And Analysis	1,608,778	-	13,938	103,283	1,087	-	118,308	17.66% of non A
300	33089	Enterprise Infrastructure Services	5,167,795	-	-	246,570	287,901	9,185	543,656	17.66% of non A
300	33005	Board of Education Support Office	203,165	-	-	-	-	-	-	No restriction
300	33007	Superintendent's Office	1,196,868	-	-	5,121	-	-	5,121	10% of non A
300	33012	Data Governance Office	186,413	-	-	-	-	-	-	No restriction as no non-A funding
300	33013	Civil Rights Compliance	580,145	-	-	4,289	-	-	4,289	10% of non A
300	33016	Corporate & Community Partnerships Offic	187,412	-	-	50,000	-	-	50,000	85% of B budget
300	33017	Standard Practices Office	169,667	33,720	-	-	-	-	33,720	Delay in hire for Secretary position
300	33025	Special Projects Office	139,447	-	-	900	-	-	900	10% of non A
300	33027	Communications & Community Affairs Ofc	647,958	-	-	2,100	50	-	2,150	10% of non A
300	33033	Military Interstate Compact	25,000	-	-	3,028	-	-	3,028	12% of non A
300	33072	Ofc Of Strategy, Innov & Performance	253,012	-	-	5,400	-	-	5,400	10% of non A
300	33079	Policy, Innovation, Planning & Eval	827,172	400,000	-	-	-	-	400,000	Delay in hire for (3) Institutional Analyst and (1) Evaluation Specialist position
300	33656	Internal Audit	714,889	-	-	7,053	500	-	7,553	10% of non A
300	33790	Protocol Fund	1,688	-	-	338	-	-	338	20% of non A
300 Total				828,720	22,567	2,251,029	475,219	9,185	3,586,720	
400	37720	Utilities	62,528,217	-	-	4,000,000	-	-	4,000,000	Will monitor expenditures
400 Total				-	-	4,000,000	-	-	4,000,000	
Grand Total				2,277,320	47,130	8,932,777	501,802	9,185	11,768,214	

**EXECUTIVE CHAMBERS**

HONOLULU

DAVID Y. IGE
GOVERNOR

August 24, 2015

EXECUTIVE MEMORANDUM

MEMO NO. 15-03

TO: All Department Heads

SUBJECT: FY 16 Budget Execution Policies and Instructions

The attached Budget Execution Policies and Instructions are provided to guide your implementation of program appropriations for FY 16.

In its most recent report of June 1, 2015, the Council on Revenues (COR) raised its projected FY 15 general fund tax revenue growth rate from 5.5% to 7.5%. The increase in the growth rate was based primarily on the expected reduction in tax refund payments resulting from the slower processing of individual tax returns due to additional screening being done by the Department of Taxation (TAX) to prevent the payment of fraudulent refund claims. Slower processing in FY 15 also meant that more tax refunds would be paid in FY 16; thus, the COR decreased its forecast for FY 16 from 5.5% to 2.7%.

Preliminary actual general fund tax collections for FY 15 increased by 6.8%, less than the anticipated 7.5%, primarily because TAX was able to process more tax refunds by June 30, 2015 than they had anticipated. Nonetheless, FY 15 ended with a higher than anticipated general fund balance of \$828.1 million. With a healthy general fund balance, FY 16 is off to a positive start with preliminary actual general fund tax collections for July 2015 coming in 4.4% higher than the same period last year.

Hawaii's major economic drivers continue to show strength through 2015. The preliminary seasonally adjustment unemployment rate for June 2015 was 4%, which is the lowest June rate since 2007. In the construction sector, the value of private building permits, year to date through June 2015, has increased by 36.6%. Hawaii's visitor and tourism industry, after several years of growth, has continued to show growth through June 2015, with visitor arrivals increasing by 4% and spending increasing by 3.5%.

However, preliminary general excise tax revenues, generally a measure of business activity, for July 2015 have decreased by 2.7% compared to last year. Additionally, it is crucial that we recognize that the State's expenditures are anticipated to outpace revenues this fiscal year and in the upcoming biennium.

We must also position the State to meet growing commitments to address our unfunded liabilities in the Employees' Retirement System and Employer-Union Health Benefits Trust Fund. On the national and worldwide level, federal cutbacks, continued economic volatility in Europe, slowdowns in Asia and unrest in the Middle East give us added reasons to keep a watchful eye on our finances.

Although the State's economy appears to be doing well, the revenue trend for FY 16 is still developing. We must continue to be prudent and responsible with our expenditures to ensure the State's fiscal stability this fiscal year and beyond. Therefore, we will continue our cautious approach until the revenue picture becomes clearer.

To provide program flexibility, \$1 million from each department's general fund discretionary appropriation ("discretionary adjustment") will not be subject to the 5% restriction and 5% contingency restriction which will be applied to the balance of the discretionary general fund appropriation.

The 5% restriction is intended to mitigate the potential impact of lower than forecasted FY 16 actual general fund tax collections and is applicable for the full fiscal year. The 5% contingency restriction is intended as a contingency reserve for FY 16 and may be adjusted during the second half of the fiscal year based on actual tax collection trends and the COR's updated forecasts later in the fiscal year.

Specific appropriations and Chapter 42F grants funded by general funds shall also be subject to the 5% restriction and 5% contingency restriction. By January 2016, we expect that a general fund revenue trend will be more evident and we will be better able to discern the level of general fund spending which will be sustainable.

Similar to FY 15, these budget execution policies delegate many responsibilities to the department level to facilitate the efficiency of your operations. Additional flexibility has been provided with respect to budgeted recurring routine expenditures. Also, these policies reflect the updated process for appropriated and non-appropriated federal awards as part of our ongoing effort to improve the management of federal grant awards from receipt to expenditure.

Implementation of these budget controls is necessary to manage the State's finances with regard to the current and future demands on the State's resources. State funds must always be expended judiciously and appropriately. It is expected that each department will make a conscientious effort to operate efficiently and stay within its departmental allocation.

We shall find better ways to do our jobs and serve the public. Working together, we can strengthen the foundation of our State government by increasing the transparency and improving the accountability of our State operations, while ensuring that the State budget is sustainable.

I expect that the flexibility and authority provided to your department will be used wisely. These processes deserve your appropriate attention and should be executed responsibly with the utmost care to maintain the State's fiscal health.

Exhibit 1 contains your department's FY 16 allocation of operating program appropriations and position ceilings from Act 119, SLH 2015, which include a 5% restriction and a 5% contingency restriction on your department's discretionary general fund appropriations less a \$1 million discretionary adjustment. Other allocation adjustments may have been applied, as applicable.

Exhibit 1 also reflects included and excluded, if applicable, collective bargaining allocations for Bargaining Units (BU) 2, 3, 4, 5, 7, and 9 for the applicable negotiated agreements. Amounts reflected for included and excluded BU 14 reflect amounts equivalent to the terms of BU 3 or 4 agreements, pending an initial agreement with BU 14.

Attachments A and B contain detailed, specific expenditure policies, guidelines, and procedures for FY 16 budget execution to provide for prudent and efficient implementation of legislative intent.

Questions on the specific policies and instructions should be directed to the Department of Budget and Finance or the appropriate agency referenced. Electronic files of appropriate forms will be provided for your use.

DAVID Y. IGE
Governor, State of Hawaii

Exhibit 1
Attachment A
Attachment B

FY 2016 ALLOCATION
DEPARTMENT OF EDUCATION
(August 20, 2015)

	General Fund	Special Funds	Federal Funds (N)	Other Federal Funds (P)	Private Contrib.	County Funds	Trust Funds	Inter-dept'l Transfers	Federal Stimulus	Revolving Funds	Other Funds	Total Allocation
Appropriation	19,313.25 1,530,655,758	737.50 56,159,324	5.00 250,220,049	- 7,792,000	- -	- -	- 17,640,000	- 7,761,985	- -	8.00 32,834,438	- -	20,063.75 1,903,063,554
Collective Bargaining	35,864,710	36,191	2,103,142	80	-	-	50,438	8,528	-	26,927	-	38,090,016
Restrictions	(4,823,015)											(4,823,015)
Contingency Restrictions	(4,823,015)											(4,823,015)
												-
Other Allocation Adj.	(5,080,184)											(5,080,184)
												-
TOTAL	19,313.25 1,551,794,254	737.50 56,195,515	5.00 252,323,191	- 7,792,080	- -	- -	- 17,690,438	- 7,770,513	- -	8.00 32,861,365	- -	20,063.75 1,926,427,356

Details of Collective Bargaining												
Bargaining Unit	General Fund	Special Funds	Federal Funds	Other Federal Funds			Trust Funds	Inter-dept'l Transfers		Revolving Funds	Other Funds	Ttl CB Allocation (Operating)
BU 01 & 10 - Included - Excluded												- -
BU 02 - Included - Excluded	490,537	829	111									491,477 -
BU 03,04 & 14 - Included - Excluded	6,377,342 300,728	29,482 5,880	203,495 827,120	44 36			17,958 287	1,519		20,704 6,223		6,650,544 1,140,274
BU 05 - Included - Excluded	27,577,320 1,111,704		915,711 156,705				28,805 3,388	6,408 601				28,528,244 1,272,398
BU 07 - Included - Excluded												- -
BU 08 - Included - Excluded												- -
BU 09 - Included - Excluded	7,079											7,079 -
BU 11 - Included - Excluded												- -
TOTAL C.B.	35,864,710	36,191	2,103,142	80	-	-	50,438	8,528	-	26,927	-	38,090,016

Discretionary:	5% restriction	5% cont. restr.	other alloc. Adj.
EDN 100	570,000	28,500	28,500
EDN 200	50,586,338	2,529,315	2,529,315
EDN 300	45,903,995	2,295,200	2,295,200
EDN 400			1,080,184
EDN 500	200,000	10,000	10,000
EDN 700	200,000	10,000	10,000
	97,460,333	4,873,015	4,873,015
			5,080,184
less disc. Adj.	(1,000,000)	(50,000)	(50,000)
	96,460,333	4,823,015	4,823,015
			5,080,184