



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

OFFICE OF THE SUPERINTENDENT

October 4, 2016

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

FROM: 
Kathryn S. Matayoshi
Superintendent

SUBJECT: **Committee Action on Department of Education's Proposed Operating Biennium Budget for the 2017-2019 Fiscal Biennium**

1. RECOMMENDATION

It is recommended that the Board of Education Committee on Finance and Infrastructure approve the recommendation for the Department of Education's (Department) 2017-19 Fiscal Biennium (FB) operating budget as reflected in Attachments A to E.

2. RECOMMENDED EFFECTIVE DATE

Effective upon approval. Approval will allow submission of the FB 2017-19 operating budget request to the Governor, through the Department of Budget and Finance (B&F), by the Administration's deadline of October 4, 2016.

3. RECOMMENDED COMPLIANCE DATE (if different from the effective date)

Upon approval.

4. DISCUSSION (if different from the effective date)

a. Conditions leading to the recommendation:

On August 26, 2016, the Department received Finance Memorandum (FM) No. 16-12 (Attachment F) from B&F, which included observations on the State's economy, general background on the Administration's approach to the budget request, the Administration's budget request approach, and general policies.

FM No.16-12: Various observations on the State's economy, which can have implications for general fund tax revenues

- ✓ "...the State's economy has continued to show strength."
- ✓ "Hawaii's visitor industry...has been leading the way with four straight record setting years of visitor arrivals and visitor expenditures."
- ✓ "...general fund tax revenue growth for FY 16 showed the strength of Hawaii's economy, which rallied to 8% by the end of the year."
- ✓ "While we are optimistic about Hawaii's economy, the Department of Business, Economic Development and Tourism has cautioned that there are many potential challenges."

FM No. 16-12: Background to the Administration's general approach to the biennium budget

- ✓ "continuing our efforts to build up our State budget reserves and maintain them at adequate levels to ensure the State's fiscal stability when the economy turns."
- ✓ "...address our unfunded liabilities in the Employees' Retirement System and Employer-Union Health Benefits Trust Fund... (by acting to) aggressively address these commitments while we are in the position to do so."
- ✓ "Collective bargaining (CB) negotiations for all of the bargaining units (BU) for FB 2017-19 are also underway."

FM No. 16-12: Administration's approach to the biennium budget

- ✓ "...recognize that there is a lot that needs to be done but our resources are limited."
- ✓ "...encourage departments to realign their budgets to accommodate the current needs of their programs."
- ✓ "(When) realignment cannot address those needs, departments may consider requests which are reasonable and sustainable."
- ✓ "There are many priority needs that are compelling and we will be forced to make hard choices. We cannot possibly address them all at the levels that are desired. These priorities include: Education, which is fundamental to our children and our future. Our schools must be able to provide suitable learning environments."

FM No. 16-12: Budget preparation polices and guidelines

- ✓ The Department's budget ceiling (also known as "base budget") defines the starting point from which proposed adjustments are made. The ceiling is determined by: the FY 17 appropriation, plus CB, minus amounts identified in the legislative worksheets as non-recurring¹.

¹ Three additional "non-recurring" reductions that were not identified in the legislative budget worksheets were added for the Department: -\$3.6 million for Hard to Staff bonuses; -\$1,080,184 for Strategy, Innovation, and Planning; and -\$4,240 for Early Learning programs.

Means of Finance	FY 17 Appropriation	CB	Non-Recurring	FY 18 & 19 Budget Ceiling
General	1,567,678,982	33,829,720	-6,671,424	1,594,837,278
Special	52,159,324	141,779	0	52,301,103
Federal	257,220,049	2,653,646	0	259,873,695
Other Federal	7,814,000	147	-22,000	7,792,147
Trust	17,640,000	0	0	17,640,000
Interdept'l Trnsf	7,765,636	0	0	7,765,636
Revolving	24,029,491	54,189	0	24,083,680
TOTALS	1,934,307,482	36,679,481	-6,693,424	1,964,293,539

- ✓ “Departments are encouraged to use their resources wisely to accommodate the changing conditions and priorities of State programs and to increase efficiency.”
- ✓ “Departments may submit requests, to provide for public health and safety needs or to meet the immediate requirements of court orders or federal mandates.”
- ✓ “Departments may submit other requests for funding necessary for program implementation which are sustainable and reasonable.”

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

On September 6, 2016, the Department presented its preliminary Student Achievement Centered requests to the Student Achievement Committee for feedback.

http://boe.hawaii.gov/Meetings/Notices/Meeting%20Material%20Library/SAC_09062016_Presentation%20on%20Student%20Achievement%20Centered%20Items%20in%20DOE%27s%202017-2019%20Fiscal%20Biennium.pdf

On September 20, 2016, the Department presented its preliminary Staff Success related requests to the Human Resources Committee for feedback.

http://boe.hawaii.gov/Meetings/Notices/Meeting%20Material%20Library/HR_09202016_Presentation%20on%20Staff%20Success%20Centered%20Items%20All%20documents.pdf

On September 20, 2016, the Department presented its preliminary requests, which had not gone to either the Student Achievement or Human Resources Committee, to the Finance and Instructure Committee for feedback.

http://boe.hawaii.gov/Meetings/Notices/Meeting%20Material%20Library/FIC_20160920_Presentation%20on%20the%20DOE%27s%20Proposed%20Operating%20Budget%20for%20the%202017-2019%20Fiscal%20Biennium.pdf

c. Other policies affected:

Board Policy No. 303-1, Department of Education Budgets, states that any Department proposal to make adjustments in the operating budget and capital improvements program budget shall require prior Board approval.

d. Arguments in support of the recommendation:

The public schools system depends on State general funds to fund over 80% of the Department's operating budget. Public education is an investment in the future of approximately 180,000 students enrolled at both Department and public charter schools. This investment is used to provide every student an opportunity to live up to his or her potential.

From 2008, the Consumer Price Index (CPI) for Honolulu is projected to have increased by over 24% by 2018².

The percent of students with special needs (including economic status, special education, and English language learners) grew from 51% in 2008 to 57% in 2016.

Public education is a priority program funded by State government. State leaders recognize that appropriations to the public schools system have remained largely flat over the last decade, with the exception of collectively bargained wage increases in recent years³.

From FY 08-16 general fund tax revenues grew by over 34% (\$4.641 billion to \$6.194 billion). General fund increases to the Department over this same period was 9.2% (\$1.40 billion to \$1.53 billion).

The Council on Revenue's September 2, 2016 forecast for FY 17, 18, 19 is projecting growth since FY 08 will be nearly 41%, nearly 48%, and over 54% respectively. The general fund appropriation to the Department increased 11.9% from FY 08 to FY 17 (\$1.40 billion to \$1.57 billion⁴). The general fund appropriation from FY 08 to the FY 18 & FY 19 budget ceiling reflects an increase of 13.8% (\$1.40 billion to \$1.59 billion⁵).

² Source: Hawaii State Databook for FY 08 CPI-Honolulu compared to DBED&T's Forecast of Key Economic Indicators for Hawaii published in the 3rd Quarter 2016 Outlook for the Economy: <http://dbedt.hawaii.gov/economic/qser/outlook-economy/>

³ The FY 08 general fund appropriation to the Department was \$1.401 billion, and in FY 17 it was \$1.567 billion, of which \$131 million was from collective bargaining increases during FY 15-17.

⁴ Act 124, SLH 2016 appropriations to the Department of Education excluding charter schools and libraries.

⁵ FM No. 16-12 Attachment F for the Department of Education

e. Arguments against the recommendation:

The Department of Education is one of many state departments and the State must make hard choices and prioritize needs within limited State revenues available.

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

The request for additional funds will be reviewed and/or approved by the following:

- Department of Budget and Finance;
- Office of the Governor;
- Hawaii State House of Representatives; and
- Hawaii State Senate.

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

Overall, the reaction to the general fund budget will be positive as we recognize that investments in the public schools are an investment in our children and our collective future.

This budget proposal includes requests that could be placed into three main categories:

1. Additional Supports for Students, Teachers and Schools;
2. Required by Federal/State Law, Contract, or Labor; and
3. Support for Board Policies, Department Priority Strategies and Strategic Plan Themes.

The reaction to the requests for additional support for students, teachers and schools will be positive with additional support for items such as:

- The Weighted Student Formula (WSF) program to enhance both the instructional and operational capacity at all schools statewide;
- Equipment to occupy new school facilities;
- Early College for high school students;
- Student Information System;
- Student Transportation;
- Systematic Leadership Development and Support;
- Heat Abatement Maintenance and Repair;
- Teacher Mentoring;
- Student Attendance System; and
- Early Learning.

The reaction to requests for items required by federal or state law, contract, or labor agreement will be positive with additional support for items such as requests for items required by:

- Utilities;
- Title IX Compliance;
- Homeless Concerns;
- Environmental Health Services;
- Adult Education – Workforce Innovation Opportunity Act;
- Seclusion and Restraints (Act 206, SLH 2014); and
- Employee Support Services.

The reaction to items to support Board policies, Department priority strategies and strategic plan themes will be positive with additional support for items such as:

- Office of Hawaiian Education;
- Basic Operating Expenses and Continuation of Program Funding (Office of Strategy, Innovation and Performance);
- Community Engagement Office;
- Employee Misconduct Investigations;
- Core Standards and Instruction;
- Facility Services;
- World Languages and Health;
- English Language Learners;
- Competency-Based Education; and
- Employee Benefits.

h. Educational implications:

Various. See attachment A.

i. Personnel implications:

Additional funds for WSF may result in schools choosing to fund additional positions and other position requests are specific to the program needs.

j. Facilities implications:

The Resources for New Facilities request will support the timely occupation of new school facilities, which are built and funded through CIP. The Heat Abatement, Environmental Health Services, Utilities, School Service and Maintenance, and Facility and Support Services requests will support the provision of safe and appropriate school facilities.

k. Financial implications:

The recommendation will allow the Department to adjust the budget to the ceiling amounts set forth in FM No. 16-12 (Attachment F), and request additional funds for operating budget shortfalls and other high priority areas (Attachment C).

5. OTHER SUPPLEMENTARY RECOMMENDATIONS

None.

KSM:BH:sjk

Attachment A: Fiscal Biennium 2017-19 General Fund Budget Requests (by category)

Attachment B: Fiscal Biennium 2017-19 General Fund Budget Requests (by EDN)

Attachment C: Reprioritization of Existing Funds

Attachment D: Summary of Non-General Fund Ceiling Adjustments

Attachment E: Totals by EDN

Attachment F: FM No. 16-12

c: Members of the Board of Education

Stephen Schatz, Deputy Superintendent

Siobhan Ng, Acting Chief of Staff to the Superintendent

Assistant Superintendents

Complex Area Superintendents

Directors in the Superintendent's Office

OFS Branch Directors

Budget Branch

Category	BOE	Request Title	Request Summary	PERM FY2018	TEMP FY2018	Total FY2018	PERM FY2019	TEMP FY2019	Total FY2019
1. ADDITIONAL SUPPORTS FOR STUDENTS, TEACHERS AND SCHOOLS	1	WEIGHTED STUDENT FORMULA	INCREASING THE APPROPRIATION FOR THE WSF WILL ASSIST IN ADDRESSING THE NEED FOR ADEQUATE FUNDING IN OUR SCHOOLS TO SUPPORT THIS SHARED PRIORITY AND DEMONSTRATE A COMMITMENT TO INVEST IN OUR KEIKI. INCREASING SCHOOL SUPPORT THROUGH THE WSF WILL BETTER EQUIP SCHOOLS TO PROVIDE STUDENTS WITH THE NECESSARY SUPPORT TO GROW, DEVELOP, AND SUCCEED. ADDITIONAL SUPPORTS WILL INCREASE CAPACITY TO ADDRESS CLOSING EXISTING ACHIEVEMENT GAPS.			50,000,000			50,000,000
	2	EQUIPMENT TO OCCUPY NEW SCHOOL FACILITIES	TO FUND THE PURCHASE OF EQUIPMENT FOR NEWLY CONSTRUCTED FACILITIES WHEN PROJECTS ARE TURNED OVER TO THE SCHOOLS. WITHOUT FUNDS SCHOOLS MAY HAVE TO DELAY OR STAGGER OCCUPATION OR ABSORB THE LARGE ONE-TIME EXPENSES WITHIN THEIR ANNUAL OPERATING BUDGET.			3,207,507			3,133,234
	3	EARLY COLLEGE	TO SUPPORT EARLY COLLEGE HIGH SCHOOL INITIATIVE, ONE OF THE NATION'S MOST EFFECTIVE AND PROVEN STRATEGIES, IN HAWAII'S PUBLIC HIGH SCHOOLS AND ACHIEVE THE STATE OF HAWAII "55 BY 25" GOAL. TO INCREASE COLLEGE AND CAREER READINESS BY PROVIDING LOWER-INCOME YOUTH, FIRST-GENERATION COLLEGE GOERS, AND OTHER UNDERREPRESENTED STUDENTS IN HIGHER EDUCATION WITH ACCELERATED LEARNING OPPORTUNITIES AND PATHWAY-LINKED EARLY COLLEGE CLASSES -- AT NO COST TO THE STUDENT. ADDITIONAL SUPPORTS WILL INCREASE CAPACITY TO ADDRESS CLOSING EXISTING ACHIEVEMENT GAPS.			3,000,000			6,000,000
	4	SCHOOL SERVICE AND MAINTENANCE	TO COVER COSTS RELATED TO SCHOOL FACILITY SERVICE AND MAINTENANCE CONTRACTS. SERVICE CONTRACTS AND REPAIR AND MAINTENANCE WORK ARE TIED TO SCHOOL AND STUDENT HEALTH AND SAFETY. PRICES OF MATERIALS AND CONSTRUCTION COSTS ARE RISING DUE TO HIGH DEMAND IN LOCAL CONSTRUCTION INDUSTRY. SERVICE AND MAINTENANCE CONTRACTS HAVE INCREASED 28 PERCENT IN FY2016. THIS REQUEST IS A MODEST 10 PERCENT ANNUAL INCREASE IN CONTRACT FUNDS.			2,800,000			4,400,000
	5	STUDENT INFORMATION SYSTEM	FOR IMPLEMENTATION OF ADDITIONAL FUNCTIONALITY OF THE NEW STUDENT INFORMATION SYSTEM TO ADDRESS REQUIREMENTS AND PRIORITIES OF THE NEXT PHASE, AND TO FUND THE RECURRING LICENSING AND SUPPORT COSTS OF THE NEW SYSTEM.			2,100,000			2,100,000
	6	STUDENT TRANSPORTATION	FOR 2.0 PERM PROGRAM SPECIALISTS, 1.0 PERM STUDENT TRANSPORTATION SERVICES MANAGER, AND 1.0 PERM SECRETARY TO FULFILL ALL REQUIRED HOME-SCHOOL-HOME BUSSING SERVICES STATEWIDE, BASED ON 2% INCREASE FOR INFLATION AND ANTICIPATED INCREASE IN (NEW) CONTRACT COSTS FOR MAUI AND KAUAI.	4.00		1,866,399	4.00		3,711,835
	7	DATA GOVERNANCE	FOR 4.0 PERM INSTITUTIONAL ANALYSTS, 3.0 PERM DATA PROCESSING SYSTEMS ANALYSTS, 1.0 PERM PROGRAM SPECIALIST, AND 1.0 PERM SECRETARY TO STAFF DATA GOVERNANCE AND ANALYSIS BRANCH TO SUPPORT PROTECTION OF STUDENT PRIVACY AND EDUCATORS', POLICYMAKERS', AND PUBLIC USE OF DATA FOR ACCOUNTABILITY AND DECISION MAKING THROUGH DATA QUALITY PROCESSING, DATA REPORTING, AND DATA USE TRAINING.	9.00		1,187,595	9.00		1,187,595
	8	SYSTEMATIC LEADERSHIP DEVELOPMENT AND SUPPORT	FOR 1.0 PERM 12-MONTH HIGH SCHOOL PRINCIPAL, 2.0 PERM EDUCATIONAL SPECIALISTS, 1.0 PERM PROGRAM SPECIALIST, AND 1.0 PERM SECRETARY TO SUPPORT LEADERSHIP DEVELOPMENT DESIGNED TO SYSTEMATICALLY SUPPORT CURRENT AND FUTURE LEADERS AT ALL LEVELS OF THE ORGANIZATION, RATHER THAN RELYING ON SPORADIC TRAINING EFFORTS BY DIFFERENT OFFICES.	5.00		1,018,058	5.00		1,018,058

Category	BOE	Request Title	Request Summary	PERM FY2018	TEMP FY2018	Total FY2018	PERM FY2019	TEMP FY2019	Total FY2019
1. ADDITIONAL SUPPORTS FOR STUDENTS, TEACHERS AND SCHOOLS	9	HEAT ABATEMENT MAINTENANCE	ACT 47, SLH 2016, APPROPRIATED \$100 MILLION TO PROVIDE AC AND OTHER HEAT ABATEMENT MEASURES TO FOSTER A MORE COMFORTABLE, HEALTHY LEARNING ENVIRONMENT FOR STUDENTS AND TEACHERS. ACT 47 DID NOT PROVIDE FOR FUNDS TO COVER THE COST OF THE NEW AC SYSTEMS' ROUTINE MAINTENANCE. AS WITH ANY MECHANICAL SYSTEM, AC SYSTEMS REQUIRE ROUTINE MAINTENANCE, INCLUDING THE CHANGING OF FILTERS, CLEANING DIRT AND OBSTRUCTIONS FROM COILS AND DRAINS, PROPER LUBRICATION, ELECTRICAL CHECKS, DUCTWORK INSPECTION, AND CHECKING MOTOR BEARINGS. PREVENTIVE MAINTENANCE, WHEN PERFORMED REGULARLY, PRESERVES THE INITIAL INVESTMENT OF INSTALLING THE AC SYSTEMS.			1,031,330			1,031,330
	10	HEAT ABATEMENT AC REPAIRS	THE AC SERVICE CONTRACTS ARE FOR ROUTINE AND PREVENTATIVE MAINTENANCE AND DO NOT INCLUDE THE COST OF REPAIRING THE AIR CONDITIONING EQUIPMENT. THIS REQUEST SEEKS TO PROVIDE FUNDING FOR AC REPAIR WORK TO PREVENT LENGTHY AC DOWN TIME WHICH DIRECTLY AFFECTS OUR STUDENT ACHIEVEMENT GOALS AND INHIBITS OUR TEACHERS' ABILITY TO EFFECTIVELY RUN THEIR CLASSROOMS.			1,000,000			1,000,000
	11	FUTURE READY LEARNING IN SCHOOLS	TO SUPPORT IMPLEMENTATION OF DIGITAL CURRICULUM VIA INTERNAL RESOURCE LABOR, PROFESSIONAL DEVELOPMENT, EXTERNAL RESOURCES, AND MATERIALS AND SUPPLIES.			1,000,000			1,000,000
	12	FOOD SERVICE PROGRAM COST INCREASE	TO FUND ANTICIPATED PROGRAM EXPENSE INCREASES FOR EACH YEAR OF THE BIENNIUM: 1% INCREASE FOR MEAL COUNT ASSISTANTS (\$20,000; \$20,000); 2% INCREASE FOR SUBSTITUTE COSTS (\$62,000; \$62,000); AND 3% INCREASE EACH YEAR FOR FOOD PROVISIONS (\$201,403; \$207,445)			283,403			207,445
	13	TEACHER MENTORING	FOR 2.0 PERM 12-MONTH TEACHER POSITIONS, 2.0 PERM 10-MONTH TEACHER POSITIONS, AND 1.0 PERM PERSONNEL MANAGEMENT SPECIALIST TO MAINTAIN THE LEVEL OF PROFESSIONAL DEVELOPMENT SUPPORT FOR ALL 15 COMPLEX AREAS AND EXPAND THE REACH OF HIGH QUALITY MENTORING THROUGH ENHANCED PROGRAM DESIGN SUPPORT TO THE COMPLEX AREAS. WORK CURRENTLY PERFORMED BY TEMPORARY POSITIONS FUNDED WITH TEMPORARY FEDERAL FUNDS.	5.00		249,304	5.00		249,304
	14	SCHOOL BASED BEHAVIORAL HEALTH (MAUI AND HAWAII ISLAND)	FOR 2.0 EDUCATION SPECIALISTS TO PROVIDE SCHOOL BASED BEHAVIORAL HEALTH SERVICES IN SCHOOLS IN THE HANA-LAHAINALUNA-LANAI-MOLOKAI AND HONOKAA-KEALAKEHE-KOHALA-KONAWAENA COMPLEX AREAS. ADDITIONAL SUPPORTS WILL INCREASE CAPACITY TO ADDRESS CLOSING EXISTING ACHIEVEMENT GAPS.	2.00		183,818	2.00		183,818
	15	LEARNING COMMUNITIES	FOR MONTHLY MEETINGS OF COMPLEX AREA SUPPORT TEAMS FOR TRAINING, DISSEMINATION OF INFORMATION, AND PROFESSIONAL LEARNING COMMUNITIES IN SUPPORT OF SCHOOL LEVEL IMPLEMENTATION OF STRATEGIES TO IMPROVE STUDENT SUCCESS.			171,900			171,900
	16	SUPPORT FOR KEY INITIATIVES	FOR 2.0 PERM SECRETARY AND 2.0 PERM OFFICE ASSISTANTS TO SUPPORT THE ADDITIONAL WORK INCLUDING BUT NOT LIMITED TO: DEVELOPMENT OF NEW STANDARDS; IMPLEMENTATION OF MULTIPLE NEW BOE POLICIES (E.G. SCHOOL CLIMATE & DISCIPLINE, SCHOOL HEALTH SERVICES, SEXUAL HEALTH, MULTILINGUALISM FOR EQUITABLE EDUCATION, AND SEAL OF BILITERACY); GRANT INITIATIVES (E.G. NEW SKILLS FOR YOUTH, AMERICAN ASIAN AND PACIFIC ISLANDER, PROJECT AWARE); AND, DELIVERABLES AND MANDATES PURSUANT TO THE EVERY STUDENT SUCCEEDS ACT (ESSA).	4.00		122,784	4.00		122,784

Category	BOE	Request Title	Request Summary	PERM FY2018	TEMP FY2018	Total FY2018	PERM FY2019	TEMP FY2019	Total FY2019
1. ADDITIONAL SUPPORTS FOR STUDENTS, TEACHERS AND SCHOOLS	17	STUDENT ATTENDANCE SYSTEM	HELPS SCHOOLS QUICKLY AND EFFICIENTLY ACCOUNT FOR ABSENT STUDENTS, IMPROVE TRUANCY RATES, AND ENHANCE STUDENT SAFETY. PARENTS/GUARDIANS HAVE THE ABILITY TO RESPOND AND PROVIDE A REASON FOR THE ABSENCE. ALL DATA IS STORED SO SCHOOLS HAVE DOCUMENTATION OF REPORTED ABSENCES FOR AUDITING PURPOSES. REDUCES BURDEN ON SCHOOL OFFICES BY ELIMINATING MANUAL PROCESS OF RECORDING, UPDATING AND FILING OF ABSENTEE INCIDENTS.			117,000			117,000
	18	TEACHER MENTORING	FOR 1.0 PERM EDUCATION SPECIALIST POSITIONS TO MAINTAIN THE LEVEL OF PROFESSIONAL DEVELOPMENT SUPPORT FOR ALL 15 COMPLEX AREAS AND EXPAND THE REACH OF HIGH QUALITY MENTORING THROUGH ENHANCED PROGRAM DESIGN SUPPORT TO THE COMPLEX AREAS. POSITION FUNDED WITH PRIVATE GRANT THROUGH 6/30/17.	1.00		91,909	1.00		91,909
	19	LAHAINALUNA BOARDING HOME	FOR 2.0 PERM DORMITORY ATTENDANTS TO ALLOW FULL ADULT SUPERVISION COVERAGE, SEVEN DAYS A WEEK.	2.00		73,560	2.00		73,560
	20	WEIGHTED STUDENT FORMULA	HOUSEKEEPING MEASURE TO REMOVE UNREQUIRED .05 FRACTIONAL POSITION COUNT FROM THE BUDGET.		-0.05	-		-0.05	-
	21	PRE-K EXPANSION & INDUCTION PROGRAM (Preschool)	TO ENSURE THE EXISTENCE OF SAFE AND DEVELOPMENTALLY APPROPRIATE LEARNING ENVIRONMENTS TO SUPPORT THE LEARNING OF PRE-KINDERGARTEN AGED STUDENTS, AND TO OPEN 10 ADDITIONAL EOEL PRE-KINDERGARTEN CLASSROOMS IN SY 2018-19.			270,615	20.00		1,040,593
	22	RE-ESTABLISH EOEL OFFICE	FOR 1.0 PERM INSTITUTIONAL ANALYST AND 1.0 PERM PROGRAM SPECIALIST TO RESTORE EOEL'S CAPACITY TO ADDRESS ITS BROAD STATUTORY RESPONSIBILITIES, INCLUDING SUPPORT OF DRAFTING, TRACKING, AND ANALYZING OF LEGISLATION TO PROVIDE LEADERSHIP AND COORDINATION BETWEEN EOEL AND BOTH PUBLIC AND PRIVATE ORGANIZATIONS WHO SERVE YOUNG CHILDREN AND THEIR FAMILIES.	2.00		82,317	2.00		82,317
	23	EARLY LEARNING RESOURCE TEACHERS (Preschool)	TO REFLECT CONVERSION OF OF 6.0 10-MONTH EARLY LEARNING RESOURCE TEACHER POSITIONS BEING CONVERTED TO 12-MONTH POSITIONS AND AN INCREASE IN OPERATING FUNDS.			8,752			8,752
	24	TEACHER MENTORING	FOR 3.0 PERM POSITIONS (1.0 12 MONTH STATE OFFICE TEACHER AND 2.0 STATE OFFICE TEACHERS) FROM WITHIN EXISTING PROGRAM FUNDS TO MAINTAIN THE LEVEL OF PROFESSIONAL DEVELOPMENT SUPPORT FOR ALL 15 COMPLEX AREAS AND EXPAND THE REACH OF HIGH QUALITY MENTORING THROUGH ENHANCED PROGRAM DESIGN SUPPORT TO THE COMPLEX AREAS.	3.00		-	3.00		-
1. ADDITIONAL SUPPORTS FOR STUDENTS, TEACHERS AND SCHOOLS Total				37.00	-0.05	69,866,251	57.00	-0.05	76,931,434
2. REQUIRED BY FEDERAL/STATE LAW, CONTRACT OR LABOR AGREEMENT	25	UTILITIES	INCREASES IN COST OF UTILITIES			3,762,912			3,762,912
	26	TITLE IX COMPLIANCE CAPACITY	FOR 15.0 PERM COMPLEX EQUITY SPECIALISTS TO ASSIST IN UPHOLDING THE DEPARTMENT'S COMMITMENT TO THE TENETS OF TITLE IX OF THE EDUCATION AMENDMENT ACT OF 1972, AS WELL AS OTHER STATE AND FEDERAL LAWS, WITH 15 PERMANENT COMPLIANCE SPECIALISTS TO BE PLACED IN THE COMPLEX AREAS STATEWIDE.	15.00		1,468,635	15.00		1,468,635
	28	HOMELESS CONCERNS LIAISONS (MVA)	FOR 18.0 PERM HOMELESS LIAISON POSITIONS TO PROVIDE AT LEAST ONE POSITION PER COMPLEX STATEWIDE TO ASSIST HOMELESS CHILDREN IN DOE AND CHARTER SCHOOLS AND ENSURE COMPLIANCE UNDER THE MCKINNEY VENTO HOMELESS ASSISTANCE ACT. ADDITIONAL SUPPORTS WILL INCREASE CAPACITY TO ADDRESS CLOSING EXISTING ACHIEVEMENT GAPS.	18.00		844,776	18.00		844,776

Category	BOE	Request Title	Request Summary	PERM FY2018	TEMP FY2018	Total FY2018	PERM FY2019	TEMP FY2019	Total FY2019
2. REQUIRED BY FEDERAL/STATE LAW, CONTRACT OR LABOR AGREEMENT	29	ENVIRONMENTAL HEALTH SERVICES	THIS REQUEST IS TO PROVIDE FUNDING FOR CIVIL AND ENVIRONMENTAL ENGINEERING CONSULTANT SERVICES WHICH WILL ENABLE THE DEPARTMENT OF EDUCATION TO COMPLY WITH THE FEDERAL MANDATE. WITHOUT FUNDING, THE SCHOOLS WITH UNDERGROUND INJECTION CONTROL SYSTEMS WILL BE IN VIOLATION OF FEDERAL EPA STANDARDS FOR THE CLEAN WATER ACT.			800,000			800,000
	30	ADULT EDUCATION - WORKFORCE INNOVATION OPPORTUNITY ACT (WIOA)	FOR 1.0 PERM 12-MONTH TRANSITION COORDINATOR, 1.0 PERM 12-MONTH COUNSELOR, 2.0 PERM 10-MONTH TRANSITION COORDINATOR, AND 2.0 12-MONTH GENERAL COORDINATOR TO PROVIDE TRANSITION SERVICES FOR COMMUNITY SCHOOL FOR ADULT STUDENTS TO ATTAIN COLLEGE AND CAREER GOALS, IN COMPLIANCE WITH THE REQUIREMENTS OF THE (NEW) WORKFORCE INNOVATION AND OPPORTUNITY ACT.	6.00		533,868	6.00		533,868
	31	SECLUSION AND RESTRAINTS (ACT 206, SLH 2014)	FOR 1.0 PERM EDUCATION SPECIALIST TO SUPPORT IMPLEMENTATION OF ACT 206, SLH 2014, INCLUDING TRAINING AND CERTIFICATION OF EMPLOYEES IN TECHNIQUES TO RESPOND TO STUDENTS WITH CHALLENGING BEHAVIORS. ADDITIONAL SUPPORTS WILL INCREASE CAPACITY TO ADDRESS CLOSING EXISTING ACHIEVEMENT GAPS.	1.00		466,909	1.00		466,909
	32	EMPLOYEE SUPPORT SERVICES	FOR 3.0 PERSONNEL CLERK AND 3.0 PERSONNEL MANAGEMENT SPECIALISTS TO ASSIST IN MEETING THE WORKERS COMPENSATION PROGRAM'S OPERATIONAL DEADLINES AND HRS AND HAR REQUIREMENTS.	6.00		270,432	6.00		270,432
	33	CHARTER SCHOOL AUTHORIZER	FOR QUALIFIED EVALUATORS FOR CHARTERING AUTHORITY APPLICATIONS TO COMPLY WITH HRS 302D-4 REQUIREMENT, THAT THE BOARD HAVE AN ANNUAL APPLICATION AND APPROVAL PROCESS FOR CHARTERING AUTHORITY.			10,000			10,000
	34	ENVIRONMENTAL HEALTH SERVICES	FOR 2.0 PERM PROGRAM SPECIALIST POSITIONS NECESSARY TO SUPPORT ALL SCHOOLS (PUBLIC AND CHARTER) AND DOE OFFICES STATEWIDE ON ENVIRONMENTAL ISSUES WHICH INCLUDE PLANNED INSPECTIONS AND UNANTICIPATED EMERGENCY INCIDENTS INVOLVING POTENTIALLY HAZARDOUS FACILITIES-RELATED SITUATIONS.	2.00		9,169	2.00		9,169
	35	PRESCHOOL TEACHERS AND EDUCATIONAL ASSISTANTS (IDEA)	FOR 40.0 PERM SPED PRESCHOOL TEACHERS AND 20.0 PERM EDUCATIONAL ASSISTANTS TO PROVIDE SPECIAL EDUCATION (SPED) INSTRUCTIONAL SERVICES TO PRESCHOOL SPED STUDENTS TO ACCOMMODATE LATE-BORN FIVE-YEAR-OLDS, REDUCE CLASS SIZE, AND RESULT IN INDIVIDUALIZED INSTRUCTION TO MEET PRESCHOOL STUDENTS' NEEDS AS DETERMINED BY THEIR INDIVIDUALIZED EDUCATION PLAN. ADDITIONAL SUPPORTS WILL INCREASE CAPACITY TO ADDRESS CLOSING EXISTING ACHIEVEMENT GAPS.	60.00		-	60.00		-
	36	TRAINING & LICENSURE OF PARA-PROFESSIONALS (ACT 107, SLH 2016)	FOR 2.0 PERM EDUCATIONAL SPECIALISTS AND 1.0 PERM SECRETARY TO ENSURE THE DEPARTMENT COMPLIES WITH MANDATES PURSUANT TO ACT 107, SLH 2016 REGARDING CREDENTIALING OF EDUCATIONAL ASSISTANTS AS REGISTERED BEHAVIOR TECHNICIANS.	3.00		-	3.00		-
	37	CIVIL RIGHTS COMPLIANCE CAPACITY	FOR 2.0 PERM COMPLIANCE SPECIALISTS TO ASSIST THE CIVIL RIGHT COMPLIANCE OFFICE IN OVERSEEING ITS COMPLIANCE RESPONSIBILITIES AND RESPONDING TO DISCRIMINATION COMPLAINTS FILED WITH THE US EQUAL OPPORTUNITY COMMISSION, THE HAWAII CIVIL RIGHTS COMMISSION, AND THE OFFICE OF CIVIL RIGHTS.	2.00		-	2.00		-
	38	CIVIL RIGHTS COMPLIANCE CAPACITY	TO CONVERT 1.0 COMPLIANCE SPECIALIST II FROM TEMP TO PERM TO RETAIN TRAINED AND KNOWLEDGEABLE STAFF TO CONTINUE TO BUILD UPON THE OFFICES CAPACITY TO SUPPORT SCHOOLS.	1.00	-1.00	-	1.00	-1.00	-
2. REQUIRED BY FEDERAL/STATE LAW, CONTRACT OR LABOR AGREEMENT Total				114.00	-1.00	8,166,701	114.00	-1.00	8,166,701
3. SUPPORT FOR BOE POLICIES, HIDOE PRIORITY STRATEGIES AND STRATEGIC PLAN THEMES	39	OFFICE OF HAWAIIAN EDUCATION	TO INCREASE THE LEVEL OF SERVICE TO IMPLEMENT HAWAIIAN EDUCATION FOR ALL STUDENTS IN COMPLIANCE WITH BOE POLICY 105.7 AND HAWAII STATE CONSTITUTION, ARTICLE X, SECTION 4.			1,372,964			1,372,964

Category	BOE	Request Title	Request Summary	PERM FY2018	TEMP FY2018	Total FY2018	PERM FY2019	TEMP FY2019	Total FY2019
3. SUPPORT FOR BOE POLICIES, HIDOE PRIORITY STRATEGIES AND STRATEGIC PLAN THEMES	40	BASIC OPERATING EXPENSES AND CONTINUATION OF PROGRAM FUNDING	FOR OFFICE SUPPLIES FOR BASIC OPERATING COSTS AND ACTIVITIES, INCLUDING STAKEHOLDER ENGAGEMENT, SUBSCRIPTIONS, QUALITATIVE DATA ANALYSIS SOFTWARE, TELEPHONE, AND MOBILE INTERNET ACCESS DURING OFFSITE OUTREACH. \$827,172 FOR 9.0 EXISTING PERM POSITIONS AND \$54,000 IN OTHER CURRENT EXPENSES FOR POLICY, INNOVATION, PLANNING & EVALUATION AS APPROPRIATED BY ACT119/SLH2015.			856,672			856,672
	41	OFFICE OF HAWAIIAN EDUCATION	TO INCREASE THE LEVEL OF SERVICE TO IMPLEMENT HAWAIIAN EDUCATION FOR ALL STUDENTS IN COMPLIANCE WITH BOE POLICY 105.7 AND HAWAII STATE CONSTITUTION, ARTICLE X, SECTION 4.			374,000			374,000
	42	STRATEGIC INITIATIVES MANAGER AND CONTINUATION OF PROGRAM FUNDING	FOR 1.0 PERM INSTITUTIONAL ANALYST TO SERVE THE FUNCTION OF AN EXECUTIVE ASSISTANT TO THE ASSISTANT SUPERINTENDENT AND MANAGE SPECIAL PROJECTS AND COORDINATING CROSS BRANCH AND OFFICE RESPONSES TO LEADERSHIP. \$199,012 FOR 3.0 EXISTING PERM POSITIONS AND \$54,000 IN OTHER CURRENT EXPENSES FOR THE OFFICE OF STRATEGY, INNOVATION & PERFORMANCE AS APPROPRIATED BY ACT119/SLH2015.	1.00		346,921	1.00		346,921
	43	COMMUNITY ENGAGEMENT OFFICE	FOR 1.0 PERM COMMUNITY ENGAGEMENT DIRECTOR, 1.0 PERM SECRETARY, AND 1.0 PERM INSTITUTIONAL ANALYST FOR THE COMMUNITY ENGAGEMENT OFFICE TO PROVIDE STRATEGIC DIRECTION AND SUSTAIN TARGETED SUPPORT TO SCHOOLS AND COMPLEX AREAS FOR STRONG AND EFFECTIVE PARTNERSHIPS BETWEEN PUBLIC AND PRIVATE AGENCIES AND THE DOE.	3.00		293,557	3.00		293,557
	44	EMPLOYEE MISCONDUCT INVESTIGATIONS	FOR 3.0 PERMANENT INVESTIGATOR POSITIONS TO CONDUCT HIGH LEVEL MISCONDUCT INVESTIGATIONS AS WELL AS CONTINUE TO SUPPORT AND TRAIN SCHOOL AND DISTRICT LEVEL EMPLOYEES WITH BEST PRACTICES.	3.00		287,727	3.00		287,727
	45	OFFICE OF HAWAIIAN EDUCATION	FOR 1.0 PERM EDUCATION SPECIALIST TO SUPPORT THE ADDITIONAL WORKLOAD IDENTIFIED WITHIN THE OFFICE OF HAWAIIAN EDUCATION (OHE) STRATEGIC PLAN.	1.00		283,155	1.00		283,155
	46	CORE STANDARDS AND INSTRUCTION	FOR 5.0 PERM 12-MONTH TEACHERS TO SUPPORT SUBJECT MATTER EXPERTISE (FOR ENGLISH LANGUAGE ARTS, MATHEMATICS, SCIENCE, SOCIAL STUDIES, AND FORMATIVE INSTRUCTION) IN THE DEPARTMENT AND EFFECTIVE INSTRUCTION IN SCHOOLS. ADDITIONAL SUPPORTS WILL INCREASE CAPACITY TO ADDRESS CLOSING EXISTING ACHIEVEMENT GAPS.	5.00		280,740	5.00		280,740
	47	OFFICE OF HAWAIIAN EDUCATION	TO FUND 1.0 PERM ACCOUNT CLERK, 1.0 PERM SECRETARY, AND 1.0 PERM EDUCATIONAL SPECIALIST FOR THE NEW OFFICE OF HAWAIIAN EDUCATION IN THE OFFICE OF THE SUPERINTENDENT AND SUPPORT FOR FULL IMPLEMENTATION OF BOE POLICY E-3 NA HOPENA A'O.	3.00		280,681	3.00		280,681
	48	FACILITY SERVICES	FOR 1.0 PERM JANITOR POSITION DUE TO RELOCATION AND CONSOLIDATION OF FACILITIES DEVELOPMENT BRANCH PERSONNEL HAS INCREASED DEMAND FOR JANITORIAL SERVICES. THE EXISTING SINGLE JANITOR AT THE FACILITY IS UNABLE TO KEEP UP WITH WORKLOAD OF A 75 EMPLOYEE OFFICE. ADDITIONALLY, MORE JANITORIAL SUPPLIES ARE NEEDED TO EQUIP JANITOR PERSONNEL WITH SUFFICIENT RESOURCES. THE BUDGET LEASE RENT COSTS FOR THE DOLE OFFICE BUILDING DID NOT INCLUDE THE INFORMATION TECHNOLOGY SECTION. AN ADDITIONAL \$260,000 FOR LEASE RENT IS NEEDED TO FULLY FUND THE DOLE OFFICE LEASE.	1.00		270,000	1.00		270,000
	49	FLEET VEHICLE MANAGEMENT PLAN	REPLACEMENT PLAN TO PURCHASE 5 NEW VEHICLES PER YEAR ALONG WITH 15 SURPLUS VEHICLES PER YEAR TO UPGRADE THE FLEET WHICH WILL REDUCE THE AVERAGE AGE OF THE FLEET FROM 16.2 YEARS (2016) TO 9.8 YEARS IN THE YEAR 2023 AND REDUCE THE HIGH COST OF MAINTAINING OLD VEHICLES.			215,000			215,000
	50	WORLD LANGUAGES AND HEALTH	FOR 2.0 PERM EDUCATION SPECIALISTS TO SUPPORT EFFECTIVE INSTRUCTION AT SCHOOLS FOR WORLD LANGUAGES AND HEALTH EDUCATION. ADDITIONAL SUPPORTS WILL INCREASE CAPACITY TO ADDRESS CLOSING EXISTING ACHIEVEMENT GAPS.	2.00		183,818	2.00		183,818

Category	BOE	Request Title	Request Summary	PERM FY2018	TEMP FY2018	Total FY2018	PERM FY2019	TEMP FY2019	Total FY2019
3. SUPPORT FOR BOE POLICIES, HIDOE PRIORITY STRATEGIES AND STRATEGIC PLAN THEMES	51	ENGLISH LANGUAGE LEARNERS (ELL) PROGRAM	FOR 2.0 EDUCATION SPECIALISTS TO SUPPORT COMPLIANCE WITH FEDERAL ESSA AND CIVIL RIGHTS REGULATIONS FOR THE ELL PROGRAM, INCLUDING ENSURING APPROPRIATE IDENTIFICATION OF ENGLISH LANGUAGE LEARNER (ELL) STUDENTS AND BUILDING TEACHER ENGLISH LANGUAGE DEVELOPMENT CAPACITY. ADDITIONAL SUPPORTS WILL INCREASE CAPACITY TO ADDRESS CLOSING EXISTING ACHIEVEMENT GAPS.	2.00		183,818	2.00		183,818
	52	COMPETENCY-BASED EDUCATION	FOR 1.0 PERM EDUCATION SPECIALISTS TO SUPPORT SCHOOL IMPLEMENTATION OF THE COMPETENCY BASED EDUCATION. ADDITIONAL SUPPORTS WILL INCREASE CAPACITY TO ADDRESS CLOSING EXISTING ACHIEVEMENT GAPS.	1.00		91,909	1.00		91,909
	53	DEVELOPMENT AND MAINTENANCE OF STANDARD PRACTICES	FOR 1.0 PERM INSTITUTIONAL ANALYST POSITION TO SERVE AS THE LEAD RESOURCE IN MANAGING THE MIGRATION OF NUMEROUS DOE REGULATIONS, PROCEDURES, AND MEMORANDA TO STANDARD PRACTICES AVAILABLE ONLINE. RESPONSIBILITY INCLUDES RESEARCHING ADMIN RULES, POLICIES, PROCEDURES, AND LEGAL REQUIREMENTS TO ENSURE ACCURACY AND ALIGNMENT.	1.00		91,909	1.00		91,909
	54	AUDIT RELATED SERVICES	FOR SUBJECT MATTER EXPERTISE FOR AUDITING OF HIGH RISK AREAS IN AUDIT PLAN			75,000			75,000
	55	ADMINISTRATIVE SUPPORT	FOR 1.0 PERM PRIVATE SECRETARY TO SUPPORT ADDITIONAL WORKLOAD ON THE BOARD SUPPORT OFFICE FROM EVENING AND NEIGHBOR ISLAND MEETINGS AND TO ALLOW THE BOARD ANALYST AND EXECUTIVE DIRECTOR TO REALLOCATE TIME FROM ADMINISTRATIVE DUTIES TO NEW DUTIES INCLUDING ANNUAL CHARTER SCHOOL AUTHORIZER APPLICATION PROCESS.	1.00		46,932	1.00		46,932
	56	EMPLOYEE BENEFITS	FOR 1.0 PERSONNEL MANAGEMENT SPECIALIST TO SUPPORT EMPLOYEE RETENTION BY PROVIDING BENEFIT INFORMATION AND EMPLOYEE COUNSELING (E.G. EUTF HEALTH INSURANCE, TAX SHELTERED ANNUITY, TEMPORARY DISABILITY INSURANCE, AFFORDABLE CARE ACT REPORTS) FOR ALL DEPARTMENT EMPLOYEES. POSITION WOULD AUGMENT THE FOUR PERMANENT POSITIONS IN THE EMPLOYEE BENEFITS UNIT, WHICH PRIOR TO THE GREAT RECESSION HAD SEVEN POSITIONS.	1.00		46,932	1.00		46,932
	57	EMPLOYEE APPRECIATION	FUNDING FOR THE INCENTIVES AND SERVICE AWARD PROGRAM WAS ELIMINATED DURING THE GREAT RECESSION. FUND TO RESTORE A MODEST LEVEL OF SUPPORT FOR TOKENS OF APPRECIATION FOR EMPLOYEES AND RETIREES FOR THEIR CONTRIBUTIONS BASED ON 10 YEAR INCREMENTS OF SERVICE.			17,805			17,805
	58	NEIGHBOR ISLAND AND EVENING MEETINGS	FOR TRAVEL AND OVERTIME COSTS ASSOCIATED WITH THE BOARD HOLDING NEIGHBOR ISLAND AND EVENING MEETINGS.			14,060			14,060
	59	FRAUD AND ETHICS VIOLATION DETECTION	TO MAINTAIN HOTLINE SYSTEM SERVICE TO SUPPORT FRAUD & ETHICS VIOLATION PREVENTION (24/7).			10,000			10,000
	60	TEACHERS OF THE YEAR	TO FUND TRAVEL, CONFERENCE FEES, AND RELATED COSTS FOR THE NATIONAL TEACHER OF THE YEAR PROGRAMS THAT ANNUALLY RECOGNIZES A TEACHER FROM EACH OF THE 7 DISTRICTS, FROM WHICH THE HAWAII STATE TEACHER OF THE YEAR IS SELECTED.			5,550			5,550
	61	FACILITY AND SUPPORT SERVICES	FOR 1.0 PERM SECRETARY, 1.0 PERM PROGRAM SPECIALIST, AND 1.0 PERM PERSONNEL SPECIALIST TO ASSIST THE OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES TO STAY ON TOP OF THE WIDE RANGE AND HIGH VOLUME OF SERVICES AND PROJECTS IT IS RESPONSIBLE FOR.	3.00		-	3.00		-
3. SUPPORT FOR BOE POLICIES, HIDOE PRIORITY STRATEGIES AND STRATEGIC PLAN THEMES Total				28.00		5,629,150	28.00		5,629,150
Grand Total				179.00	-1.05	83,662,102	199.00	-1.05	90,727,285

Row Labels	BOE	Request Title	Request Summary	PERM FY2018	TEMP FY2018	Total FY2018	PERM FY2019	TEMP FY2019	Total FY2019
EDN100	1	WEIGHTED STUDENT FORMULA	INCREASING THE APPROPRIATION FOR THE WSF WILL ASSIST IN ADDRESSING THE NEED FOR ADEQUATE FUNDING IN OUR SCHOOLS TO SUPPORT THIS SHARED PRIORITY AND DEMONSTRATE A COMMITMENT TO INVEST IN OUR KEIKI. INCREASING SCHOOL SUPPORT THROUGH THE WSF WILL BETTER EQUIP SCHOOLS TO PROVIDE STUDENTS WITH THE NECESSARY SUPPORT TO GROW, DEVELOP, AND SUCCEED. ADDITIONAL SUPPORTS WILL INCREASE CAPACITY TO ADDRESS CLOSING EXISTING ACHIEVEMENT GAPS.			50,000,000			50,000,000
	2	EQUIPMENT TO OCCUPY NEW SCHOOL FACILITIES	TO FUND THE PURCHASE OF EQUIPMENT FOR NEWLY CONSTRUCTED FACILITIES WHEN PROJECTS ARE TURNED OVER TO THE SCHOOLS. WITHOUT FUNDS SCHOOLS MAY HAVE TO DELAY OR STAGGER OCCUPATION OR ABSORB THE LARGE ONE-TIME EXPENSES WITHIN THEIR ANNUAL OPERATING BUDGET.			3,207,507			3,133,234
	3	EARLY COLLEGE	TO SUPPORT EARLY COLLEGE HIGH SCHOOL INITIATIVE, ONE OF THE NATION'S MOST EFFECTIVE AND PROVEN STRATEGIES, IN HAWAII'S PUBLIC HIGH SCHOOLS AND ACHIEVE THE STATE OF HAWAII "55 BY 25" GOAL. TO INCREASE COLLEGE AND CAREER READINESS BY PROVIDING LOWER-INCOME YOUTH, FIRST-GENERATION COLLEGE GOERS, AND OTHER UNDERREPRESENTED STUDENTS IN HIGHER EDUCATION WITH ACCELERATED LEARNING OPPORTUNITIES AND PATHWAY-LINKED EARLY COLLEGE CLASSES -- AT NO COST TO THE STUDENT. ADDITIONAL SUPPORTS WILL INCREASE CAPACITY TO ADDRESS CLOSING EXISTING ACHIEVEMENT GAPS.			3,000,000			6,000,000
	11	FUTURE READY LEARNING IN SCHOOLS	TO SUPPORT IMPLEMENTATION OF DIGITAL CURRICULUM VIA INTERNAL RESOURCE LABOR, PROFESSIONAL DEVELOPMENT, EXTERNAL RESOURCES, AND MATERIALS AND SUPPLIES.			1,000,000			1,000,000
	19	LAHAINALUNA BOARDING HOME	FOR 2.0 PERM DORMITORY ATTENDANTS TO ALLOW FULL ADULT SUPERVISION COVERAGE, SEVEN DAYS A WEEK.	2.00		73,560	2.00		73,560
	20	WEIGHTED STUDENT FORMULA	HOUSEKEEPING MEASURE TO REMOVE UNREQUIRED .05 FRACTIONAL POSITION COUNT FROM THE BUDGET.		-0.05	-		-0.05	-
	39	OFFICE OF HAWAIIAN EDUCATION	TO INCREASE THE LEVEL OF SERVICE TO IMPLEMENT HAWAIIAN EDUCATION FOR ALL STUDENTS IN COMPLIANCE WITH BOE POLICY 105.7 AND HAWAII STATE CONSTITUTION, ARTICLE X, SECTION 4.			1,372,964			1,372,964
	41	OFFICE OF HAWAIIAN EDUCATION	TO INCREASE THE LEVEL OF SERVICE TO IMPLEMENT HAWAIIAN EDUCATION FOR ALL STUDENTS IN COMPLIANCE WITH BOE POLICY 105.7 AND HAWAII STATE CONSTITUTION, ARTICLE X, SECTION 4.			374,000			374,000
	45	OFFICE OF HAWAIIAN EDUCATION	FOR 1.0 PERM EDUCATION SPECIALIST TO SUPPORT THE ADDITIONAL WORKLOAD IDENTIFIED WITHIN THE OFFICE OF HAWAIIAN EDUCATION (OHE) STRATEGIC PLAN.	1.00		283,155	1.00		283,155
	47	OFFICE OF HAWAIIAN EDUCATION	TO FUND 1.0 PERM ACCOUNT CLERK, 1.0 PERM SECRETARY, AND 1.0 PERM EDUCATIONAL SPECIALIST FOR THE NEW OFFICE OF HAWAIIAN EDUCATION IN THE OFFICE OF THE SUPERINTENDENT AND SUPPORT FOR FULL IMPLEMENTATION OF BOE POLICY E-3 NA HOPENA A'O.	3.00		280,681	3.00		280,681
EDN100 Total				6.00	-0.05	59,591,867	6.00	-0.05	62,517,594
EDN150	35	PRESCHOOL TEACHERS AND EDUCATIONAL ASSISTANTS (IDEA)	FOR 40.0 PERM SPED PRESCHOOL TEACHERS AND 20.0 PERM EDUCATIONAL ASSISTANTS TO PROVIDE SPECIAL EDUCATION (SPED) INSTRUCTIONAL SERVICES TO PRESCHOOL SPED STUDENTS TO ACCOMMODATE LATE-BORN FIVE-YEAR-OLDS, REDUCE CLASS SIZE, AND RESULT IN INDIVIDUALIZED INSTRUCTION TO MEET PRESCHOOL STUDENTS' NEEDS AS DETERMINED BY THEIR INDIVIDUALIZED EDUCATION PLAN. ADDITIONAL SUPPORTS WILL INCREASE CAPACITY TO ADDRESS CLOSING EXISTING ACHIEVEMENT GAPS.	60.00		-	60.00		-
	36	TRAINING & LICENSURE OF PARA-PROFESSIONALS (ACT 107, SLH 2016)	FOR 2.0 PERM EDUCATIONAL SPECIALISTS AND 1.0 PERM SECRETARY TO ENSURE THE DEPARTMENT COMPLIES WITH MANDATES PURSUANT TO ACT 107, SLH 2016 REGARDING CREDENTIALING OF EDUCATIONAL ASSISTANTS AS REGISTERED BEHAVIOR TECHNICIANS.	3.00		-	3.00		-
EDN150 Total				63.00		-	63.00		-
EDN200	8	SYSTEMATIC LEADERSHIP DEVELOPMENT AND SUPPORT	FOR 1.0 PERM 12-MONTH HIGH SCHOOL PRINCIPAL, 2.0 PERM EDUCATIONAL SPECIALISTS, 1.0 PERM PROGRAM SPECIALIST, AND 1.0 PERM SECRETARY TO SUPPORT LEADERSHIP DEVELOPMENT DESIGNED TO SYSTEMATICALLY SUPPORT CURRENT AND FUTURE LEADERS AT ALL LEVELS OF THE ORGANIZATION, RATHER THAN RELYING ON SPORADIC TRAINING EFFORTS BY DIFFERENT OFFICES.	5.00		1,018,058	5.00		1,018,058
	14	SCHOOL BASED BEHAVIORAL HEALTH (MAUI AND HAWAII ISLAND)	FOR 2.0 EDUCATION SPECIALISTS TO PROVIDE SCHOOL BASED BEHAVIORAL HEALTH SERVICES IN SCHOOLS IN THE HANA-LAHAINALUNA-LANAI-MOLOKAI AND HONOKAA-KEALAKEHE-KOHALA-KONAWAENA COMPLEX AREAS. ADDITIONAL SUPPORTS WILL INCREASE CAPACITY TO ADDRESS CLOSING EXISTING ACHIEVEMENT GAPS.	2.00		183,818	2.00		183,818
	15	LEARNING COMMUNITIES	FOR MONTHLY MEETINGS OF COMPLEX AREA SUPPORT TEAMS FOR TRAINING, DISSEMINATION OF INFORMATION, AND PROFESSIONAL LEARNING COMMUNITIES IN SUPPORT OF SCHOOL LEVEL IMPLEMENTATION OF STRATEGIES TO IMPROVE STUDENT SUCCESS.			171,900			171,900

Row Labels	BOE	Request Title	Request Summary	PERM FY2018	TEMP FY2018	Total FY2018	PERM FY2019	TEMP FY2019	Total FY2019
EDN200	16	SUPPORT FOR KEY INITIATIVES	FOR 2.0 PERM SECRETARY AND 2.0 PERM OFFICE ASSISTANTS TO SUPPORT THE ADDITIONAL WORK INCLUDING BUT NOT LIMITED TO: DEVELOPMENT OF NEW STANDARDS; IMPLEMENTATION OF MULTIPLE NEW BOE POLICIES (E.G. SCHOOL CLIMATE & DISCIPLINE, SCHOOL HEALTH SERVICES, SEXUAL HEALTH, MULTILINGUALISM FOR EQUITABLE EDUCATION, AND SEAL OF BILITERACY); GRANT INITIATIVES (E.G. NEW SKILLS FOR YOUTH, AMERICAN ASIAN AND PACIFIC ISLANDER, PROJECT AWARE); AND, DELIVERABLES AND MANDATES PURSUANT TO THE EVERY STUDENT SUCCEEDS ACT (ESSA).	4.00		122,784	4.00		122,784
	28	HOMELESS CONCERNS LIAISONS (MVA)	FOR 18.0 PERM HOMELESS LIAISON POSITIONS TO PROVIDE AT LEAST ONE POSITION PER COMPLEX STATEWIDE TO ASSIST HOMELESS CHILDREN IN DOE AND CHARTER SCHOOLS AND ENSURE COMPLIANCE UNDER THE MCKINNEY VENTO HOMELESS ASSISTANCE ACT. ADDITIONAL SUPPORTS WILL INCREASE CAPACITY TO ADDRESS CLOSING EXISTING ACHIEVEMENT GAPS.	18.00		844,776	18.00		844,776
	31	SECLUSION AND RESTRAINTS (ACT 206, SLH 2014)	FOR 1.0 PERM EDUCATION SPECIALIST TO SUPPORT IMPLEMENTATION OF ACT 206, SLH 2014, INCLUDING TRAINING AND CERTIFICATION OF EMPLOYEES IN TECHNIQUES TO RESPOND TO STUDENTS WITH CHALLENGING BEHAVIORS. ADDITIONAL SUPPORTS WILL INCREASE CAPACITY TO ADDRESS CLOSING EXISTING ACHIEVEMENT GAPS.	1.00		466,909	1.00		466,909
	46	CORE STANDARDS AND INSTRUCTION	FOR 5.0 PERM 12-MONTH TEACHERS TO SUPPORT SUBJECT MATTER EXPERTISE (FOR ENGLISH LANGUAGE ARTS, MATHEMATICS, SCIENCE, SOCIAL STUDIES, AND FORMATIVE INSTRUCTION) IN THE DEPARTMENT AND EFFECTIVE INSTRUCTION IN SCHOOLS. ADDITIONAL SUPPORTS WILL INCREASE CAPACITY TO ADDRESS CLOSING EXISTING ACHIEVEMENT GAPS.	5.00		280,740	5.00		280,740
	50	WORLD LANGUAGES AND HEALTH	FOR 2.0 PERM EDUCATION SPECIALISTS TO SUPPORT EFFECTIVE INSTRUCTION AT SCHOOLS FOR WORLD LANGUAGES AND HEALTH EDUCATION. ADDITIONAL SUPPORTS WILL INCREASE CAPACITY TO ADDRESS CLOSING EXISTING ACHIEVEMENT GAPS.	2.00		183,818	2.00		183,818
	51	ENGLISH LANGUAGE LEARNERS (ELL) PROGRAM	FOR 2.0 EDUCATION SPECIALISTS TO SUPPORT COMPLIANCE WITH FEDERAL ESSA AND CIVIL RIGHTS REGULATIONS FOR THE ELL PROGRAM, INCLUDING ENSURING APPROPRIATE IDENTIFICATION OF ENGLISH LANGUAGE LEARNER (ELL) STUDENTS AND BUILDING TEACHER ENGLISH LANGUAGE DEVELOPMENT CAPACITY. ADDITIONAL SUPPORTS WILL INCREASE CAPACITY TO ADDRESS CLOSING EXISTING ACHIEVEMENT GAPS.	2.00		183,818	2.00		183,818
	52	COMPETENCY-BASED EDUCATION	FOR 1.0 PERM EDUCATION SPECIALISTS TO SUPPORT SCHOOL IMPLEMENTATION OF THE COMPETENCY BASED EDUCATION. ADDITIONAL SUPPORTS WILL INCREASE CAPACITY TO ADDRESS CLOSING EXISTING ACHIEVEMENT GAPS.	1.00		91,909	1.00		91,909
EDN200 Total				40.00		3,548,530	40.00		3,548,530
EDN300	5	STUDENT INFORMATION SYSTEM	FOR IMPLEMENTATION OF ADDITIONAL FUNCTIONALITY OF THE NEW STUDENT INFORMATION SYSTEM TO ADDRESS REQUIREMENTS AND PRIORITIES OF THE NEXT PHASE, AND TO FUND THE RECURRING LICENSING AND SUPPORT COSTS OF THE NEW SYSTEM.			2,100,000			2,100,000
	7	DATA GOVERNANCE	FOR 4.0 PERM INSTITUTIONAL ANALYSTS, 3.0 PERM DATA PROCESSING SYSTEMS ANALYSTS, 1.0 PERM PROGRAM SPECIALIST, AND 1.0 PERM SECRETARY TO STAFF DATA GOVERNANCE AND ANALYSIS BRANCH TO SUPPORT PROTECTION OF STUDENT PRIVACY AND EDUCATORS', POLICYMAKERS', AND PUBLIC USE OF DATA FOR ACCOUNTABILITY AND DECISION MAKING THROUGH DATA QUALITY PROCESSING, DATA REPORTING, AND DATA USE TRAINING.	9.00		1,187,595	9.00		1,187,595
	13	TEACHER MENTORING	FOR 2.0 PERM 12-MONTH TEACHER POSITIONS, 2.0 PERM 10-MONTH TEACHER POSITIONS, AND 1.0 PERM PERSONNEL MANAGEMENT SPECIALIST TO MAINTAIN THE LEVEL OF PROFESSIONAL DEVELOPMENT SUPPORT FOR ALL 15 COMPLEX AREAS AND EXPAND THE REACH OF HIGH QUALITY MENTORING THROUGH ENHANCED PROGRAM DESIGN SUPPORT TO THE COMPLEX AREAS. WORK CURRENTLY PERFORMED BY TEMPORARY POSITIONS FUNDED WITH TEMPORARY FEDERAL FUNDS.	5.00		249,304	5.00		249,304
	18	TEACHER MENTORING	FOR 1.0 PERM EDUCATION SPECIALIST POSITIONS TO MAINTAIN THE LEVEL OF PROFESSIONAL DEVELOPMENT SUPPORT FOR ALL 15 COMPLEX AREAS AND EXPAND THE REACH OF HIGH QUALITY MENTORING THROUGH ENHANCED PROGRAM DESIGN SUPPORT TO THE COMPLEX AREAS. POSITION FUNDED WITH PRIVATE GRANT THROUGH 6/30/17.	1.00		91,909	1.00		91,909
	24	TEACHER MENTORING	FOR 3.0 PERM POSITIONS (1.0 12 MONTH STATE OFFICE TEACHER AND 2.0 STATE OFFICE TEACHERS) FROM WITHIN EXISTING PROGRAM FUNDS TO MAINTAIN THE LEVEL OF PROFESSIONAL DEVELOPMENT SUPPORT FOR ALL 15 COMPLEX AREAS AND EXPAND THE REACH OF HIGH QUALITY MENTORING THROUGH ENHANCED PROGRAM DESIGN SUPPORT TO THE COMPLEX AREAS.	3.00		-	3.00		-

Row Labels	BOE	Request Title	Request Summary	PERM FY2018	TEMP FY2018	Total FY2018	PERM FY2019	TEMP FY2019	Total FY2019
EDN300	26	TITLE IX COMPLIANCE CAPACITY	FOR 15.0 PERM COMPLEX EQUITY SPECIALISTS TO ASSIST IN UPHOLDING THE DEPARTMENT'S COMMITMENT TO THE TENETS OF TITLE IX OF THE EDUCATION AMENDMENT ACT OF 1972, AS WELL AS OTHER STATE AND FEDERAL LAWS, WITH 15 PERMANENT COMPLIANCE SPECIALISTS TO BE PLACED IN THE COMPLEX AREAS STATEWIDE.	15.00		1,468,635	15.00		1,468,635
	32	EMPLOYEE SUPPORT SERVICES	FOR 3.0 PERSONNEL CLERK AND 3.0 PERSONNEL MANAGEMENT SPECIALISTS TO ASSIST IN MEETING THE WORKERS COMPENATION PROGRAM'S OPERATIONAL DEADLINES AND HRS AND HAR REQUIREMENTS.	6.00		270,432	6.00		270,432
	33	CHARTER SCHOOL AUTHORIZER	FOR QUALIFIED EVALUATORS FOR CHARTERING AUTHORITY APPLICATIONS TO COMPLY WITH HRS 302D-4 REQUIREMENT, THAT THE BOARD HAVE AN ANNUAL APPLICATION AND APPROVAL PROCESS FOR CHARTERING AUTHORITY.			10,000			10,000
	37	CIVIL RIGHTS COMPLIANCE CAPACITY	FOR 2.0 PERM COMPLIANCE SPECIALISTS TO ASSIST THE CIVIL RIGHT COMPLIANCE OFFICE IN OVERSEEING ITS COMPLIANCE RESPONSIBILITIES AND RESPONDING TO DISCRIMINATION COMPLAINTS FILED WITH THE US EQUAL OPPORTUNITY COMMISSION, THE HAWAII CIVIL RIGHTS COMMISSION, AND THE OFFICE OF CIVIL RIGHTS.	2.00		-	2.00		-
	38	CIVIL RIGHTS COMPLIANCE CAPACITY	TO CONVERT 1.0 COMPLIANCE SPECIALIST II FROM TEMP TO PERM TO RETAIN TRAINED AND KNOWLEDGEABLE STAFF TO CONTINUE TO BUILD UPON THE OFFICES CAPACITY TO SUPPORT SCHOOLS.	1.00	-1.00	-	1.00	-1.00	-
	40	BASIC OPERATING EXPENSES AND CONTINUATION OF PROGRAM FUNDING	FOR OFFICE SUPPLIES FOR BASIC OPERATING COSTS AND ACTIVITIES, INCLUDING STAKEHOLDER ENGAGEMENT, SUBSCRIPTIONS, QUALITATIVE DATA ANALYSIS SOFTWARE, TELEPHONE, AND MOBILE INTERNET ACCESS DURING OFFSITE OUTREACH. \$827,172 FOR 9.0 EXISTING PERM POSITIONS AND \$54,000 IN OTHER CURRENT EXPENSES FOR POLICY, INNOVATION, PLANNING & EVALUATION AS APPROPRIATED BY ACT119/SLH2015.			856,672			856,672
	42	STRATEGIC INITIATIVES MANAGER AND CONTINUATION OF PROGRAM FUNDING	FOR 1.0 PERM INSTITUTIONAL ANALYST TO SERVE THE FUNCTION OF AN EXECUTIVE ASSISTANT TO THE ASSISTANT SUPERINTENDENT AND MANAGE SPECIAL PROJECTS AND COORDINATING CROSS BRANCH AND OFFICE RESPONSES TO LEADERSHIP. \$199,012 FOR 3.0 EXISTING PERM POSITIONS AND \$54,000 IN OTHER CURRENT EXPENSES FOR THE OFFICE OF STRATEGY, INNOVATION & PERFORMANCE AS APPROPRIATED BY ACT119/SLH2015.	1.00		346,921	1.00		346,921
	43	COMMUNITY ENGAGEMENT OFFICE	FOR 1.0 PERM COMMUNITY ENGAGEMENT DIRECTOR, 1.0 PERM SECRETARY, AND 1.0 PERM INSTITUTIONAL ANALYST FOR THE COMMUNITY ENGAGEMENT OFFICE TO PROVIDE STRATEGIC DIRECTION AND SUSTAIN TARGETED SUPPORT TO SCHOOLS AND COMPLEX AREAS FOR STRONG AND EFFECTIVE PARTNERSHIPS BETWEEN PUBLIC AND PRIVATE AGENCIES AND THE DOE.	3.00		293,557	3.00		293,557
	44	EMPLOYEE MISCONDUCT INVESTIGATIONS	FOR 3.0 PERMANENT INVESTIGATOR POSITIONS TO CONDUCT HIGH LEVEL MISCONDUCT INVESTIGATIONS AS WELL AS CONTINUE TO SUPPORT AND TRAIN SCHOOL AND DISTRICT LEVEL EMPLOYEES WITH BEST PRACTICES.	3.00		287,727	3.00		287,727
	53	DEVELOPMENT AND MAINTENANCE OF STANDARD PRACTICES	FOR 1.0 PERM INSTITUTIONAL ANALYST POSITION TO SERVE AS THE LEAD RESOURCE IN MANAGING THE MIGRATION OF NUMEROUS DOE REGULATIONS, PROCEDURES, AND MEMORANDA TO STANDARD PRACTICES AVAILABLE ONLINE. RESPONSIBILITY INCLUDES RESEARCHING ADMIN RULES, POLICIES, PROCEDURES, AND LEGAL REQUIREMENTS TO ENSURE ACCURACY AND ALIGNMENT.	1.00		91,909	1.00		91,909
	54	AUDIT RELATED SERVICES	FOR SUBJECT MATTER EXPERTISE FOR AUDITING OF HIGH RISK AREAS IN AUDIT PLAN			75,000			75,000
	55	ADMINISTRATIVE SUPPORT	FOR 1.0 PERM PRIVATE SECRETARY TO SUPPORT ADDITIONAL WORKLOAD ON THE BOARD SUPPORT OFFICE FROM EVENING AND NEIGHBOR ISLAND MEETINGS AND TO ALLOW THE BOARD ANALYST AND EXECUTIVE DIRECTOR TO REALLOCATE TIME FROM ADMINISTRATIVE DUTIES TO NEW DUTIES INCLUDING ANNUAL CHARTER SCHOOL AUTHORIZER APPLICATION PROCESS.	1.00		46,932	1.00		46,932
	56	EMPLOYEE BENEFITS	FOR 1.0 PERSONNEL MANAGEMENT SPECIALIST TO SUPPORT EMPLOYEE RETENTION BY PROVIDING BENEFIT INFORMATION AND EMPLOYEE COUNSELING (E.G. EUTF HEALTH INSURANCE, TAX SHELTERED ANNUITY, TEMPORARY DISABILITY INSURANCE, AFFORDABLE CARE ACT REPORTS) FOR ALL DEPARTMENT EMPLOYEES. POSITION WOULD AUGMENT THE FOUR PERMANENT POSITIONS IN THE EMPLOYEE BENEFITS UNIT, WHICH PRIOR TO THE GREAT RECESSION HAD SEVEN POSITIONS.	1.00		46,932	1.00		46,932
	57	EMPLOYEE APPRECIATION	FUNDING FOR THE INCENTIVES AND SERVICE AWARD PROGRAM WAS ELIMINATED DURING THE GREAT RECESSION. FUND TO RESTORE A MODEST LEVEL OF SUPPORT FOR TOKENS OF APPRECIATION FOR EMPLOYEES AND RETIREES FOR THEIR CONTRIBUTIONS BASED ON 10 YEAR INCREMENTS OF SERVICE.			17,805			17,805
	58	NEIGHBOR ISLAND AND EVENING MEETINGS	FOR TRAVEL AND OVERTIME COSTS ASSOCIATED WITH THE BOARD HOLDING NEIGHBOR ISLAND AND EVENING MEETINGS.			14,060			14,060
	59	FRAUD AND ETHICS VIOLATION DETECTION	TO MAINTAIN HOTLINE SYSTEM SERVICE TO SUPPORT FRAUD & ETHICS VIOLATION PREVENTION (24/7).			10,000			10,000
	60	TEACHERS OF THE YEAR	TO FUND TRAVEL, CONFERENCE FEES, AND RELATED COSTS FOR THE NATIONAL TEACHER OF THE YEAR PROGRAMS THAT ANNUALLY RECOGNIZES A TEACHER FROM EACH OF THE 7 DISTRICTS, FROM WHICH THE HAWAII STATE TEACHER OF THE YEAR IS SELECTED.			5,550			5,550
EDN300 Total				52.00	-1.00	7,470,940	52.00	-1.00	7,470,940

Row Labels	BOE	Request Title	Request Summary	PERM FY2018	TEMP FY2018	Total FY2018	PERM FY2019	TEMP FY2019	Total FY2019
EDN400	4	SCHOOL SERVICE AND MAINTENANCE	TO COVER COSTS RELATED TO SCHOOL FACILITY SERVICE AND MAINTENANCE CONTRACTS. SERVICE CONTRACTS AND REPAIR AND MAINTENANCE WORK ARE TIED TO SCHOOL AND STUDENT HEALTH AND SAFETY. PRICES OF MATERIALS AND CONSTRUCTION COSTS ARE RISING DUE TO HIGH DEMAND IN LOCAL CONSTRUCTION INDUSTRY. SERVICE AND MAINTENANCE CONTRACTS HAVE INCREASED 28 PERCENT IN FY2016. THIS REQUEST IS A MODEST 10 PERCENT ANNUAL INCREASE IN CONTRACT FUNDS.			2,800,000			4,400,000
	6	STUDENT TRANSPORTATION	FOR 2.0 PERM PROGRAM SPECIALISTS, 1.0 PERM STUDENT TRANSPORTATION SERVICES MANAGER, AND 1.0 PERM SECRETARY TO FULFILL ALL REQUIRED HOME-SCHOOL-HOME BUSSING SERVICES STATEWIDE, BASED ON 2% INCREASE FOR INFLATION AND ANTICIPATED INCREASE IN (NEW) CONTRACT COSTS FOR MAUI AND KAUAI.	4.00		1,866,399	4.00		3,711,835
	9	HEAT ABATEMENT MAINTENANCE	ACT 47, SLH 2016, APPROPRIATED \$100 MILLION TO PROVIDE AC AND OTHER HEAT ABATEMENT MEASURES TO FOSTER A MORE COMFORTABLE, HEALTHY LEARNING ENVIRONMENT FOR STUDENTS AND TEACHERS. ACT 47 DID NOT PROVIDE FOR FUNDS TO COVER THE COST OF THE NEW AC SYSTEMS' ROUTINE MAINTENANCE. AS WITH ANY MECHANICAL SYSTEM, AC SYSTEMS REQUIRE ROUTINE MAINTENANCE, INCLUDING THE CHANGING OF FILTERS, CLEANING DIRT AND OBSTRUCTIONS FROM COILS AND DRAINS, PROPER LUBRICATION, ELECTRICAL CHECKS, DUCTWORK INSPECTION, AND CHECKING MOTOR BEARINGS. PREVENTIVE MAINTENANCE, WHEN PERFORMED REGULARLY, PRESERVES THE INITIAL INVESTMENT OF INSTALLING THE AC SYSTEMS.			1,031,330			1,031,330
	10	HEAT ABATEMENT AC REPAIRS	THE AC SERVICE CONTRACTS ARE FOR ROUTINE AND PREVENTATIVE MAINTENANCE AND DO NOT INCLUDE THE COST OF REPAIRING THE AIR CONDITIONING EQUIPMENT. THIS REQUEST SEEKS TO PROVIDE FUNDING FOR AC REPAIR WORK TO PREVENT LENGTHY AC DOWN TIME WHICH DIRECTLY AFFECTS OUR STUDENT ACHIEVEMENT GOALS AND INHIBITS OUR TEACHERS' ABILITY TO EFFECTIVELY RUN THEIR CLASSROOMS.			1,000,000			1,000,000
	12	FOOD SERVICE PROGRAM COST INCREASE	TO FUND ANTICIPATED PROGRAM EXPENSE INCREASES FOR EACH YEAR OF THE BIENNIUM: 1% INCREASE FOR MEAL COUNT ASSISTANTS (\$20,000; \$20,000); 2% INCREASE FOR SUBSTITUTE COSTS (\$62,000; \$62,000); AND 3% INCREASE EACH YEAR FOR FOOD PROVISIONS (\$201,403; \$207,445)			283,403			207,445
	17	STUDENT ATTENDANCE SYSTEM	HELPS SCHOOLS QUICKLY AND EFFICIENTLY ACCOUNT FOR ABSENT STUDENTS, IMPROVE TRUANCY RATES, AND ENHANCE STUDENT SAFETY. PARENTS/GUARDIANS HAVE THE ABILITY TO RESPOND AND PROVIDE A REASON FOR THE ABSENCE. ALL DATA IS STORED SO SCHOOLS HAVE DOCUMENTATION OF REPORTED ABSENCES FOR AUDITING PURPOSES. REDUCES BURDEN ON SCHOOL OFFICES BY ELIMINATING MANUAL PROCESS OF RECORDING, UPDATING AND FILING OF ABSENTEE INCIDENTS.			117,000			117,000
	25	UTILITIES	INCREASES IN COST OF UTILITIES			3,762,912			3,762,912
	29	ENVIRONMENTAL HEALTH SERVICES	THIS REQUEST IS TO PROVIDE FUNDING FOR CIVIL AND ENVIRONMENTAL ENGINEERING CONSULTANT SERVICES WHICH WILL ENABLE THE DEPARTMENT OF EDUCATION TO COMPLY WITH THE FEDERAL MANDATE. WITHOUT FUNDING, THE SCHOOLS WITH UNDERGROUND INJECTION CONTROL SYSTEMS WILL BE IN VIOLATION OF FEDERAL EPA STANDARDS FOR THE CLEAN WATER ACT.			800,000			800,000
	34	ENVIRONMENTAL HEALTH SERVICES	FOR 2.0 PERM PROGRAM SPECIALIST POSITIONS NECESSARY TO SUPPORT ALL SCHOOLS (PUBLIC AND CHARTER) AND DOE OFFICES STATEWIDE ON ENVIRONMENTAL ISSUES WHICH INCLUDE PLANNED INSPECTIONS AND UNANTICIPATED EMERGENCY INCIDENTS INVOLVING POTENTIALLY HAZARDOUS FACILITIES-RELATED SITUATIONS.	2.00		9,169	2.00		9,169
	48	FACILITY SERVICES	FOR 1.0 PERM JANITOR POSITION DUE TO RELOCATION AND CONSOLIDATION OF FACILITIES DEVELOPMENT BRANCH PERSONNEL HAS INCREASED DEMAND FOR JANITORIAL SERVICES. THE EXISTING SINGLE JANITOR AT THE FACILITY IS UNABLE TO KEEP UP WITH WORKLOAD OF A 75 EMPLOYEE OFFICE. ADDITIONALLY, MORE JANITORIAL SUPPLIES ARE NEEDED TO EQUIP JANITOR PERSONNEL WITH SUFFICIENT RESOURCES. THE BUDGET LEASE RENT COSTS FOR THE DOLE OFFICE BUILDING DID NOT INCLUDE THE INFORMATION TECHNOLOGY SECTION. AN ADDITIONAL \$260,000 FOR LEASE RENT IS NEEDED TO FULLY FUND THE DOLE OFFICE LEASE.	1.00		270,000	1.00		270,000
	49	FLEET VEHICLE MANAGEMENT PLAN	REPLACEMENT PLAN TO PURCHASE 5 NEW VEHICLES PER YEAR ALONG WITH 15 SURPLUS VEHICLES PER YEAR TO UPGRADE THE FLEET WHICH WILL REDUCE THE AVERAGE AGE OF THE FLEET FROM 16.2 YEARS (2016) TO 9.8 YEARS IN THE YEAR 2023 AND REDUCE THE HIGH COST OF MAINTAINING OLD VEHICLES.			215,000			215,000

Row Labels	BOE	Request Title	Request Summary	PERM FY2018	TEMP FY2018	Total FY2018	PERM FY2019	TEMP FY2019	Total FY2019
EDN400	61	FACILITY AND SUPPORT SERVICES	FOR 1.0 PERM SECRETARY, 1.0 PERM PROGRAM SPECIALIST, AND 1.0 PERM PERSONNEL SPECIALIST TO ASSIST THE OFFICE OF SCHOOL FACILITIES AND SUPPORT SERVICES TO STAY ON TOP OF THE WIDE RANGE AND HIGH VOLUME OF SERVICES AND PROJECTS IT IS RESPONSIBLE FOR.	3.00		-	3.00		-
EDN400 Total				10.00		12,155,213	10.00		15,524,691
EDN500	30	ADULT EDUCATION - WORKFORCE INNOVATION OPPORTUNITY ACT (WIOA)	FOR 1.0 PERM 12-MONTH TRANSITION COORDINATOR, 1.0 PERM 12-MONTH COUNSELOR, 2.0 PERM 10-MONTH TRANSITION COORDINATOR, AND 2.0 12-MONTH GENERAL COORDINATOR TO PROVIDE TRANSITION SERVICES FOR COMMUNITY SCHOOL FOR ADULT STUDENTS TO ATTAIN COLLEGE AND CAREER GOALS, IN COMPLIANCE WITH THE REQUIREMENTS OF THE (NEW) WORKFORCE INNOVATION AND OPPORTUNITY ACT.	6.00		533,868	6.00		533,868
EDN500 Total				6.00		533,868	6.00		533,868
EDN700	21	PRE-K EXPANSION & INDUCTION PROGRAM (Preschool)	TO ENSURE THE EXISTENCE OF SAFE AND DEVELOPMENTALLY APPROPRIATE LEARNING ENVIRONMENTS TO SUPPORT THE LEARNING OF PRE-KINDERGARTEN AGED STUDENTS, AND TO OPEN 10 ADDITIONAL EOEL PRE-KINDERGARTEN CLASSROOMS IN SY 2018-19.			270,615	20.00		1,040,593
	22	RE-ESTABLISH EOEL OFFICE	FOR 1.0 PERM INSTITUTIONAL ANALYST AND 1.0 PERM PROGRAM SPECIALIST TO RESTORE EOEL'S CAPACITY TO ADDRESS ITS BROAD STATUTORY RESPONSIBILITIES, INCLUDING SUPPORT OF DRAFTING, TRACKING, AND ANALYZING OF LEGISLATION TO PROVIDE LEADERSHIP AND COORDINATION BETWEEN EOEL AND BOTH PUBLIC AND PRIVATE ORGANIZATIONS WHO SERVE YOUNG CHILDREN AND THEIR FAMILIES.	2.00		82,317	2.00		82,317
	23	EARLY LEARNING RESOURCE TEACHERS (Preschool)	TO REFLECT CONVERSION OF OF 6.0 10-MONTH EARLY LEARNING RESOURCE TEACHER POSITIONS BEING CONVERTED TO 12-MONTH POSITIONS AND AN INCREASE IN OPERATING FUNDS.			8,752			8,752
EDN700 Total				2.00		361,684	22.00		1,131,662
Grand Total				179.00	-1.05	83,662,102	199.00	-1.05	90,727,285

Reprioritization within Budget Ceiling

Attachment C

EDN	Amount	Description*
EDN100	9,306,710	Weighted Student Formula
EDN100	500,000	Teacher License Fees
EDN100	2,100,000	Summer Pay for School Cafeteria Employees for Non-Food Service Work
EDN100	4,000,000	Workers Compensation Employee Benefits
EDN100 Total	15,906,710	
EDN150	2,381,900	Preschool Teachers and Educational Assistants (60.0) positions
EDN150	1,000,000	Skilled Nursing Services
EDN150	4,700,278	Training & Licensure of Para-Professionals (Act 107, SLH 2016)
EDN150 Total	8,082,178	
EDN200	41,640	OCISS Annex (1.0) Custodian
EDN200	1,408,000	Sabbatical Leave - Teachers
EDN200 Total	1,449,640	
EDN300	183,818	Civil Rights Compliance (2.0) Specialists
EDN300	1,040	Adjustment to Turnover Savings - Fiscal Services
EDN300 Total	184,858	
EDN400	185,451	Facilities and Support Services for (3.0) positions
EDN400	38,928	Facilities Development Branch (1.0) Janitor
EDN400	169,823	Environmental Services Unit (2.0) positions and \$41,662 non-payroll funds
EDN400 Total	394,202	
EDN500	36,324	Adult Education - Workforce Innovation Opportunity Act (WIOA)
EDN500 Total	36,324	
EDN700	214,595	Early Learning - Conversion of (6.0) 10 month Resource Teachers to 12 months, Kindergarten Entry Assessment, and (1.0) Institutional Analyst
EDN700 Total	214,595	
Grand Total	26,268,507	
* Funds for all positions listed are for salary only. Position counts to be requested.		

**Fiscal Biennium 2017-19 Appropriation Ceiling Adjustments - Non-General Funds
Department of Education**

Attachment D

				FY 2016-17	FY 2017-18		FY 2018-19	
EDN	PROGRAM DESCRIPTION	DESCRIPTION OF ADJUSTMENT	MOF	Appropriation	Ceiling Adj	Request Total	Ceiling Adj	Request Total
EDN100	ESEA TITLE II IMPROVING TEACHER QUALITY	The request is to reduce the federal fund ceiling to appropriately reflect anticipated revenues and expenditure levels.	N	15,000,000	(2,000,000)	13,000,000	(2,000,000)	13,000,000
EDN100	ESEA 21ST CCLC FORMULA	The request is to reduce the federal fund ceiling for the 21st Century Community Learning Centers to appropriately reflect anticipated revenues and expenditure levels.	N	7,000,000	(1,500,000)	5,500,000	(1,500,000)	5,500,000
EDN100	ESEA MATH & SCIENCE PARTNERSHIP	The request is to reduce the federal fund ceiling to appropriately reflect anticipated revenues and expenditure levels.	N	1,500,000	(1,500,000)	-	(1,500,000)	-
EDN100	ESEA MIGRANT EDUCATION	The request is to increase the federal fund ceiling to appropriately reflect anticipated revenues and expenditure levels.	N	1,300,000	1,500,000	2,800,000	1,500,000	2,800,000
EDN100	ESEA TITLE I LEA GRANT-SCHOOLS	The request to increase the federal fund ceiling for Title I grants for Local Education Agencies (LEAs) to more appropriately reflect the anticipated revenues/expenditures.	N	55,000,000	1,000,000	56,000,000	1,000,000	56,000,000
EDN100	ESEA TITLE III LANGUAGE INSTRUCTION	The request is to increase the federal fund ceiling to appropriately reflect anticipated revenues and expenditure levels.	N	3,500,000	2,000,000	5,500,000	2,000,000	5,500,000
EDN100	IMPACT AID - REGULAR INSTRUCTION	The request to increase the federal fund ceiling to appropriately reflect anticipated expenditure level.	N	40,531,226	339,391	40,870,617	339,391	40,870,617
EDN100	IMPACT AID - WEIGHTED STUDENT FORMULA	The request is to reduce the federal fund ceiling to appropriately reflect anticipated revenues and expenditure levels.	N	10,000,000	(10,000,000)	-	(10,000,000)	-
					(10,160,609)		(10,160,609)	
EDN100	ADVANCED PLACEMENT FEE PAYMENT PROGRAM	The request is to reduce the federal fund ceiling to appropriately reflect anticipated revenues and expenditure levels.	P	95,000	(95,000)	-	(95,000)	-
EDN100	DOD-EA GRANTS	The request is to add a federal fund ceiling for Department of Defense Education Activity grants to appropriately reflect anticipated revenues and expenditure levels.	P	-	1,500,000	1,500,000	1,500,000	1,500,000
EDN100	EDUCATION OF NATIVE HAWAIIANS	The request is to reduce the federal fund ceiling to appropriately reflect anticipated revenues and expenditure levels.	P	439,000	(439,000)	-	(439,000)	-
EDN100	VOC ED-BASIC GRANT TO STATES	The request is to reduce the federal fund ceiling for Vocational Education grant to appropriately reflect anticipated revenues and expenditure levels. \$147 of increase is from Other Fed Funds (P) budget ceiling increase.	P	3,000,000	50,000	3,050,000	50,000	3,050,000
					1,016,000		1,016,000	
EDN100	ALU LIKE TRUST FUND	The request to increase the trust fund ceiling to appropriately reflect anticipated expenditure level.	T	280,000	100,000	380,000	100,000	380,000
EDN100	ATHLETICS TRUST FUND	The request to increase the trust fund ceiling to appropriately reflect anticipated expenditure level.	T	1,500,000	40,000	1,540,000	40,000	1,540,000
EDN100	FOUNDATION & OTHER GRANTS	The request is to increase the trust fund ceiling by to appropriately reflect anticipated expenditure levels.	T	5,000,000	1,500,000	6,500,000	1,500,000	6,500,000

**Fiscal Biennium 2017-19 Appropriation Ceiling Adjustments - Non-General Funds
Department of Education**

Attachment D

				FY 2016-17	FY 2017-18		FY 2018-19	
EDN	PROGRAM DESCRIPTION	DESCRIPTION OF ADJUSTMENT	MOF	Appropriation	Ceiling Adj	Request Total	Ceiling Adj	Request Total
EDN100	OLELO EDUCATIONAL TV	The request is to increase the trust fund ceiling by to appropriately reflect anticipated expenditure levels.	T	1,200,000	100,000	1,300,000	100,000	1,300,000
EDN100	SETTLEMENTS	The request is to increase the trust fund ceiling to appropriately reflect anticipated expenditure levels.	T	-	250,000	250,000	250,000	250,000
EDN100	UNEMPLOYMENT INSURANCE-NON GENERAL FUND	Request to decrease the ceiling for funds transferred-in from the Department of Labor and Industrial Relations (DLIR) to appropriately reflect anticipated revenues and expenditures.	U	2,500,000	1,990,000 (700,000)	1,800,000	1,990,000 (700,000)	1,800,000
EDN100	WORKERS COMPENSATION-NON GENERAL FUND	Request to increase the ceiling for funds transferred-in from the Department of Labor and Industrial Relations (DLIR) to appropriately reflect anticipated revenues and expenditures.	U	1,000,000	700,000	1,700,000	700,000	1,700,000
EDN150	IMPACT AID - SPECIAL EDUCATION	The request to decrease the federal fund ceiling to appropriately reflect anticipated expenditure level.	N	4,659,125	- (339,391)	4,319,734	- (339,391)	4,319,734
EDN150	SPECIAL ED PRE-SCHOOL GRANT	The request is to increase the federal fund ceiling to appropriately reflect anticipated revenues and expenditure levels.	N	973,364	107,070	1,080,434	107,070	1,080,434
EDN150	TITLE VIB SPECIAL EDUCATION (IDEA)	The request is to increase the federal fund ceiling for this Individuals with Disabilities Education Act grant to appropriately reflect anticipated revenues and expenditure levels. \$2,653,646 of increase from federal fund (N) budget ceiling increase.	N	43,266,866	3,461,349	46,728,215	3,461,349	46,728,215
EDN200	NAEP-STATE COORDINATOR	The request is to increase the federal fund ceiling for the National Assessment of Education Progress (NAEP) to appropriately reflect anticipated revenues and expenditure levels. Revenues from reimbursement of costs, which are anticipated to increase with fringe rate increase.	P	250,000	3,229,028 23,794	273,794	3,229,028 23,794	273,794
EDN400	SCHOOL FOOD SVCS SPECIAL FUND CAFETERIA	The request is to increase the special fund ceiling to appropriately reflect anticipated revenues and expenditure levels. \$141,779 is from the special fund (B) budget ceiling increase.	B	39,515,052	23,794 141,779	39,656,831	23,794 141,779	39,656,831
EDN400	TEACHER HOUSING REVOLVING FUND	The request is to increase the revolving fund ceiling to appropriately reflect anticipated revenues and expenditure levels. \$54,189 of ceiling increase from revolving fund (W) budget ceiling increase.	W	450,000	141,779 70,000	520,000	141,779 70,000	520,000
EDN500	ADULT EDUCATION - STATE LEADERSHIP	The request is to decrease the federal fund ceiling to appropriately reflect anticipated revenues and expenditure levels.	N	155,124	70,000 217	155,341	70,000 217	155,341
					217		217	

Fiscal Biennium 2017-19 Appropriation Ceiling Adjustments - Non-General Funds
Department of Education

				FY 2016-17	FY 2017-18		FY 2018-19	
EDN	PROGRAM DESCRIPTION	DESCRIPTION OF ADJUSTMENT	MOF	Appropriation	Ceiling Adj	Request Total	Ceiling Adj	Request Total
EDN500	ADULT EDUCATION ENROLLMENT/TESTING FUND	The request to decrease the trust fund ceiling to appropriately reflect anticipated expenditure level.	T	4,000,000	(1,740,000)	2,260,000	(1,740,000)	2,260,000
					(1,740,000)		(1,740,000)	
					(5,429,791)		(5,429,791)	
MEANS OF FINANCING (MOF)				TOTAL BY MEANS OF FINANCING				
B - SPECIAL				B	141,779		141,779	
N - FEDERAL				N	(6,931,364)		(6,931,364)	
P - DISCRETIONARY FEDERAL				P	1,039,794		1,039,794	
T - TRUST				T	250,000		250,000	
U - INTERDEPARTMENTAL				U	-		-	
W - REVOLVING				W	70,000		70,000	

General Fund Totals by EDN

Attachment E

		A		B		C		D		A+B+C		A+B+D	
EDN	EDN Title	FY 17 Appropriation (Act 124, SLH 2016)	FY 17 Appn % of Total	FB 17-19 Budget Ceiling (from B&F)	Transfers between EDNs	FY 18 Request	FY 19 Request	FY 18 Total (Ceiling + Transfer + Request)	FY 18 % of Total	FY 19 Total (Ceiling + Request)	FY 19 % of Total		
100	School Based Budgeting	919,739,606	58.7%	935,504,529	250,000	59,591,867	62,517,594	995,346,396	59.3%	998,272,123	59.2%		
150	Special Educ & Student Support Svcs	357,369,736	22.8%	367,863,839		-	-	367,863,839	21.9%	367,863,839	21.8%		
200	Instructional Support	52,202,121	3.3%	52,244,155	(89,694)	3,548,530	3,548,530	55,702,991	3.3%	55,702,991	3.3%		
300	State Administration	48,599,682	3.1%	47,750,148	(955,306)	7,470,940	7,470,940	54,265,782	3.2%	54,265,782	3.2%		
400	School Support	183,909,690	11.7%	185,516,420	795,000	12,155,213	15,524,691	198,466,633	11.8%	201,836,111	12.0%		
500	School Community Svcs	2,862,275	0.2%	2,935,314		533,868	533,868	3,469,182	0.2%	3,469,182	0.2%		
700	Early Learning	2,995,872	0.2%	3,022,873		361,684	1,131,662	3,384,557	0.2%	4,154,535	0.2%		
		1,567,678,982		1,594,837,278	-	83,662,102	90,727,285	1,678,499,380		1,685,564,563			

* Transfers reflect:

EDN100	250,000	Funds for assessment (200 to 100)
EDN100 TOTAL	250,000	
EDN200	104,158	Coordinated Support Director (300 to 200)
EDN200	56,148	12-month State Office Teacher (300 to 200)
EDN200	(250,000)	Funds for assessment (200 to 100)
EDN200 TOTAL	(89,694)	
EDN300	(104,158)	Coordinated Support Director (300 to 100)
EDN300	(56,148)	12-month State Office Teacher (300 to 200)
EDN300	(795,000)	Facility rent expense to Facilities Development Branch (300 to 400)
EDN300 TOTAL	(955,306)	
EDN400	795,000	Facility rent to Facilities Development Branch (300 to 400)
EDN400 TOTAL	795,000	

DAVID Y. IGE
GOVERNOR



WESLEY K. MACHIDA
DIRECTOR

RODERICK K. BECKER
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

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MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

August 26, 2016

FINANCE MEMORANDUM

MEMO NO. 16-12

TO: All Department Heads

FROM: Wesley K. Machida *Roderick Becker*
for Director of Finance

SUBJECT: Fiscal Biennium 2017-19 Executive Budget Request and the Program and Financial Plan for the Period 2017-23

The following policies and guidelines shall be used in preparing the Executive Budget Request for FB 2017-19 and the Program and Financial Plan for the period 2017-23.

General Background

Due to the fiscal uncertainty which has overshadowed many of the past fiscal years, the Administration has been cautious in its approach to the State's budget. Although Hawaii's economy has been growing, general fund tax revenue growth has not always been a clear indicator of economic activity, especially when measured against prior year fluctuations.

Preliminary general fund tax revenue growth for FY 16 showed the strength of Hawaii's economy, which rallied to 8% by the end of the year. However, in the month since then, general fund tax revenue growth dropped to -2.2% (preliminary July 2016). Despite lower than projected revenues for FY 17 thus far, however, the State's economy has continued to show strength.

Hawaii's visitor industry – a significant component of the State's economy – has been leading the way with four straight record setting years of visitor arrivals and visitor expenditures. The trend continues in 2016, with year-to-date visitor arrivals up by 4.2% and visitor expenditures up by 4.3% for the first half of the year.

In February 2016, the State's unemployment rate dipped to 3.1%, the lowest since November 2007. Although there has been a slight uptick to 3.3% (seasonally adjusted preliminary June 2016), the State has experienced its lowest rates of unemployment since beginning of the Great Recession this calendar year, due in large part to the

expansions of the visitor and construction industries. In comparison, the State's unemployment rate is much better than the national rate of 4.9% (seasonally adjusted June 2016).

While we are optimistic about Hawaii's economy, the Department of Business, Economic Development and Tourism has cautioned that there are many potential challenges:

- The economies of most countries worldwide are experiencing slowdowns;
- Many Hawaii industries are still recovering;
- The Counties of Hawaii and Kauai have just recovered;
- Air seat growth is slowing down significantly, which will lead to a slowing down of visitor industry growth; and
- Construction industry momentum is weakening.

Economic downturns are part of every economic cycle. Whether they are dramatic and swift or happen gradually, we must be prepared. Thus, we are continuing our efforts to build up our State budget reserves and maintain them at adequate levels to ensure the State's fiscal stability when the economy turns.

To implement the build up of resources, the Governor issued Administrative Directive (A.D.) No. 16-03, State Reserve Policy. The A.D. establishes that the State should maintain an amount equal to at least 10% of general fund revenue in the emergency budget and reserve fund and an amount equal to at least 5% of general fund revenue as a general fund balance.

Consequently, we plan to maintain at least a 5% general fund balance at the end of each fiscal year and will propose to provide funding in FY 18 for the Emergency and Budget Reserve Fund. We must also keep in mind that the State's expenditures are anticipated to outpace revenues substantially in FY 17.

The State must also meet significant financial commitments to address our unfunded liabilities in the Employees' Retirement System and Employer-Union Health Benefits Trust Fund in the coming years. It is fiscally responsible to aggressively address these commitments while we are in the position to do so.

We will propose to pay the Other Post-Employment Benefits (OPEB) annual required contribution (ARC) at the 100% level in FY 18 which should result in significant savings for the State. The ARC amortizes the OPEB \$9.06 billion unfunded liability over a 30-year period.

Collective bargaining (CB) negotiations for all of the bargaining units (BU) for FB 2017-19 are also underway. Taken together, these factors all reinforce the need to continue to be fiscally prudent and responsible with our expenditures to ensure the State's fiscal stability in FY 17 and beyond.

Therefore, we will continue a cautious approach in developing the FB 2017-19 Executive Budget. All budget requests must be sustainable and reasonable.

The State's Fiscal Condition

In its most recent report of June 1, 2016, the Council on Revenues (COR) lowered its projected FY 16 general fund tax revenue growth rate from 6.7% to 6.1%. The decrease in the growth rate was based primarily on the COR's concern with the declining rate of growth of overall general fund tax collections in earlier months, despite strong economic data. The COR retained its previously forecasted growth rates of 5% for FY 17 through FY 19 and 4.5% for FY 20 through FY 22.

Preliminary actual general fund tax collections for FY 16 increased by 8.0% compared to FY 15, 1.9% more than the COR's forecast. For the first month of FY 17, however, preliminary general fund tax collections are -2.2%, which demands a cautious outlook to start the fiscal year.

Fostering Sustainability

The Administration is focused on the long-term picture, looking at what we can do today to improve State government and the lives of Hawaii's people and what can be sustained going forward. We recognize that there is a lot that needs to be done but our resources are limited.

It is our responsibility to make the best use of our resources and to ensure that public funds are spent wisely. Strengthening the foundation and improving the efficiency of State government to enable our programs to best serve the public should start from within. We encourage departments to realign their budgets to accommodate the current needs of their programs.

Where realignment cannot address those needs, departments may consider requests which are reasonable and sustainable. Again, bear in mind that the State is projected to spend more than it is taking in this fiscal year and is facing significant increases in funding pension and OPEB liabilities, in addition to other demands on our limited resources. Departments must consider the long-term impact to the State's resources when building their budget requests.

There are many priority needs that are compelling and we will be forced to make hard choices. We cannot possibly address them all at the levels that are desired. These priorities include:

Education, which is fundamental to our children and our future. Our schools must be able to provide suitable learning environments.

Affordable housing, which is in great need for Hawaii's families to rent or buy.

Homelessness, which continues to significantly impact our communities. We need to provide shelters and social services.

Our 100% clean energy future, which will reduce the State's reliance on fossil fuels.

Correctional facilities, where we must alleviate overcrowding.

The Administration will also continue to look at other critical program needs which have been long passed over, in addition to improvements to generate program savings and enhance the transparency and efficiency of our operations. We must all be committed to improving our operations and how we serve the public because we are all responsible to ensure that the State's budget is sustainable.

Budget Transparency

Departments should review their FY 17 operating budget details for items which do not align with anticipated expenditures and can be addressed immediately. Each department's review should include, but should not be limited to, the following, as applicable:

- Negative adjustments
- Underfunded, unfunded or unbudgeted positions
- Specific budget line items which do not align with anticipated expenditures

Additionally, Act 160, SLH 2015, provides that, effective July 1, 2017, no funds shall be expended to fill a permanent or temporary position if the filling of that position causes the position ceiling to be exceeded, with specified exceptions. "Position ceiling" is defined as the maximum number of permanent and temporary positions that an expending agency is authorized for a particular program.

Consequently, it is highly recommended that all departments review their unbudgeted positions to determine which positions are not exempt under Act 160. Such positions which are critical and on-going should be incorporated into the budget.

Additional funding will not be provided for these requests because they are currently funded within existing budgets; as such, in order to reflect necessary changes, departments should submit the following:

1. "Conversion of Unbudgeted Positions" requests to authorize unbudgeted positions; or
2. Trade-off and transfer adjustment requests necessary to correct negative amounts, fully fund underfunded or unfunded positions, or realign the budget to expenditures; or
3. Base adjustment requests to delete underfunded or unfunded positions.

Act 160 also requires that permanent and temporary position ceilings for each program be provided in the budget documents. As such, departments must provide permanent and temporary position counts in their BJ Summary tables for the FB 2017-19 Executive Budget.

Federal Fund Budgeting

In 2013, the State began a process to change the way federal awards were budgeted and expended, with the intent of increasing transparency and improving the State's ability to meet anticipated federal reporting requirements. Since then, the Federal Fund Information for States list of major, recurring federal awards was used to determine which federal awards were appropriated as means of financing (MOF) "N" (federal funds). All other federal awards which were anticipated to be received in FY 16 or FY 17 were appropriated as MOF "P" (other federal funds).

Each operating federal grant award anticipated to be received was provided a unique appropriation symbol and an extended lapse date (operating federal funds lapse after three fiscal years, instead of one fiscal year) to accommodate the difference between the State and the federal fiscal years and performance periods which extend beyond one year. Also, CIP federal fund appropriations which have been deemed necessary to qualify for federal aid financing and reimbursement will lapse five fiscal years after the fiscal biennium to encourage the timely implementation of federally-funded projects and expenditure of federal grant awards.

Each department will begin the FB 2017-19 budget process with federal fund and other federal fund ceiling amounts, which must be appropriately allocated by program ID. Departments should submit requests to adjust the FY 18 and FY 19 ceiling amounts to more accurately reflect anticipated federal award amounts or to correct the MOF of recurring awards, if necessary, as reflected on each program's corresponding list of "Federal Awards for FB 2017-19" (**Form FF**). For planning purposes, it should not be assumed that State funding will automatically replace federal funding in situations where federal funding is disrupted or discontinued.

This department's Office of Federal Awards Management (OFAM) will be introducing an online electronic workflow process, which should be used to complete your department's Form FF for the FB 2017-19 budget process. OFAM will provide information and training on the new process shortly (departments will be notified under separate cover).

A. General Policies

The general policies for the development of the FB 2017-19 Executive Biennium Budget are as follows:

1. For operations, the Executive Budget will be based on FY 17 appropriations from Act 119, SLH 2015, as amended by Act 124, SLH 2016, minus non-recurring costs and plus CB, as applicable. Individual departmental budget ceilings are established for all departments by the Department of Budget and Finance (B&F).
2. Under their respective budget ceilings, departments are authorized and encouraged to recommend trade-offs and transfers within and among programs under their purview to reflect the department's current priorities, changing conditions and to improve efficiency.

3. Non-general fund programs should plan for the fringe benefit assessment rate increasing to 60% for FY 18 and FY 19. This increase is primarily due to the projected costs for the prefunding of OPEB. The rate is expected to remain at around 60% for FY 20 and beyond.
4. According to the Congressional Budget Office (CBO), under current federal law, total federal discretionary spending for non-defense programs would decline by 0.6% in federal fiscal year (FFY) 2018, and then increase 2.7% in FFY 2019. This category includes most of the discretionary grant programs states receive. A newly elected Congress could amend these spending caps. The table below summarizes the CBO data.

Estimates of Revised Caps Under the Budget Control Act and Subsequent Legislation
(\$ in billions)

	2017	2018	2019	2020	2021
Nondefense	\$519	\$515	\$529	\$542	\$555
Percent change from prior year		-0.6%	2.7%	2.5%	2.3%
Defense	\$551	\$549	\$562	\$576	\$590
Percent change from prior year		-0.4%	2.4%	2.5%	2.4%
Total	\$1,070	\$1,064	\$1,091	\$1,118	\$1,145
Percent change from prior year		-0.5%	2.5%	2.5%	2.3%

Source: Congressional Budget Office August 2016

CBO estimates that federal spending for Medicaid will increase 5.6% in FFY 2018 and 5.3% in FFY 2019. Medicaid spending will be affected by changes in a state's Medicaid matching rate and the state contribution for the Affordable Care Act expansion.

Under current law, mandatory programs subject to sequestration under the Budget Control Act (including the Social Services Block Grant, Promoting Safe and Stable Families, and Vocational Rehabilitation State Grants) will be reduced by 6.9% on October 1, 2016. Reductions for future years have not been calculated, but should be similar to the FFY 2017 amount.

Given the uncertain nature of future federal funding levels and the likelihood that an increase in federal funds, besides for Medicaid, will be limited, programs should not assume that State funds will be available to support program costs if federal funds are reduced or no longer available.

5. Pursuant to Section 37-68(1), HRS, any proposal for new programs, regardless of funding sources, must demonstrate that such programs are appropriate functions of State government and can be implemented by government as cost-effectively as by the private sector.
6. Departments should be prepared to initiate necessary enabling legislation, or appropriate rule changes, to coincide with budget requests, as applicable. Legislative proposals shall be coordinated with the Governor's Office. Additionally, the B&F analyst assigned to your department should be informed of the applicable proposals as part of the budget review. (**Form A, Request for**

Operating Budget Adjustment, should be used to provide the necessary information to justify the related request and indicate the required legislation.)

B. Submission Requirements and Formats

1. Biennium Budget requests shall be submitted according to the requirements and formats as specified in the attachments.
2. All budget submissions will be subject to review and evaluation by B&F and the Governor. Worksheets and other supporting details may be requested and should be made available upon request.

C. Due Dates/Other Requirements

The following must be provided to this office:

1. By Friday, September 23, 2016, the following must be submitted, reflecting your budget submission:
 - a. Two hard copies of Forms A, A-Attachment, B, C, and FF (relating to the operating budget); and Tables P, Q, and R, and Forms CIPOp, CIPOpB, PAB and S (relating to CIP budget).
 - b. All Excel files which reflect your department's budget submission of Forms A, A-Attachment, B, and C (relating to the operating budget); and Forms CIPOp, CIPOpB, PAB and S (relating to CIP budget) should be transmitted to your B&F analyst.
2. By Wednesday, November 30, 2016, the following must be submitted, reflecting the Governor's final budget decisions:
 - a. For all departments except DOE, UH, and the Department of Transportation (DOT): Updated BJ Summary Tables in eBUDDI. Totals (by cost element and MOF) must match the grand totals on the Form B for the Governor's decision.
 - b. For DOE, UH, and DOT: Hard copies, Excel files, or other electronic files of the updated BJ Summary tables. Totals (by cost element and MOF) must match the grand totals on the Form B for the Governor's decision.
 - c. All departments: Two copies of the updated Budget Narratives; Forms PAB, CIPOp and CIPOpB.
 - d. All departments: Updated Tables P, Q, and R in eCIP and Tables A, B and C (Performance Measures) in eAnalytical.

- e. All departments: All Excel files which reflect the Governor's final budget decisions of Forms A, and A-Attachment (relating to the operating budget); and Forms CIPOp, CIPOpB, and PAB (relating to CIP budget) should be transmitted to your B&F analyst.
- 3. By Wednesday, November 30, 2016: Two copies of Form DMC (additional requirement for deferred maintenance costs): The Excel file of Form DMC must be transmitted to your B&F analyst.
- 4. By Friday, December 30, 2016: The BJ details updated in eBUDDI reflecting the Governor's final budget decisions, for all departments except DOE, UH, and DOT for which Excel or other electronic files are required.

Attachments

Attachment 1: FB 2017-19 Operating Budget Ceilings

Attachment 2: Guidelines for the Operating and Capital Improvement Program Budgets for FB 2017-19 and the Planning Period

Attachment 3: Additional Operating Budget Detail Guidelines FB 2017-19 and the Planning Period

Attachment 4: Operating Budget Submission Forms (Forms A, A-Attachment, B, C, FF)

Attachment 5: CIP Submission Tables and Forms (Tables P, Q, R; Forms CIPOp, CIPOpB, PAB, S, DMC)

Attachment 6: General Budget Information and Instructions for Completing Program Budget Request Forms (August 2016)

Attachment 7: Major, Recurring Federal Funds for State FB 2017-19

FB 17-19 BUDGET
CURRENT SERVICES OPERATING BUDGET CEILINGS
DEPARTMENT OF EDUCATION
08/26/16

Means of Financing	MOF	Item	Act 124/2016 FY 17 Apprn	Add:			Less:			Current Svcs Budget Ceilings	
				FY 18 CB	FY 19 CB	FY 18 Adjustments	FY 19 Adjustments	FY 18 Non-recurring	FY 19 Non-recurring	FY 18	FY 19
General Fund	A	Perm Temp \$	19,315.25 2,011.55 1,567,678,982	33,829,720	33,829,720			(6,671,424)	(6,671,424)	19,315.25 2,011.55 1,594,837,278	19,315.25 2,011.55 1,594,837,278
Special Funds	B	Perm Temp \$	737.50 6.00 52,159,324	141,779	141,779					737.50 6.00 52,301,103	737.50 6.00 52,301,103
Federal Funds	N	Perm Temp \$	5.00 150.50 257,220,049							5.00 150.50 259,873,695	5.00 150.50 259,873,695
Other Fed Funds	P	Perm Temp \$	0.00 1.00 7,814,000	147	147			(22,000)	(22,000)	0.00 1.00 7,792,147	0.00 1.00 7,792,147
Trust Funds	T	Perm Temp \$	0.00 0.00 17,640,000		0					0.00 0.00 17,640,000	0.00 0.00 17,640,000
Interdept'l Trsf	U	Perm Temp \$	0.00 0.00 7,765,636	0	0					0.00 0.00 7,765,636	0.00 0.00 7,765,636
Revolving Funds	W	Perm Temp \$	8.00 2.00 24,029,491	54,189	54,189					8.00 2.00 24,083,680	8.00 2.00 24,083,680
TOTAL		Perm Temp \$	20,065.75 2,171.05 1,934,307,482	0.00 0.00 36,679,481	0.00 0.00 36,679,481	0.00 0.00 0	0.00 0.00 0	0.00 0.00 (6,693,424)	0.00 0.00 (6,693,424)	20,065.75 2,171.05 1,964,293,539	20,065.75 2,171.05 1,964,293,539

FB 17-19 OPERATING BUDGET CEILINGS
DEPARTMENT OF EDUCATION
ADJUSTMENTS

<u>Prog ID</u>	<u>Org</u>	<u>Description</u>	<u>FY 18</u>	<u>FY 19</u>	<u>MOF</u>
LESS NON-RECURRING:					
EDN 100	BL	STUDENT TRAVEL	400,000	400,000	A
EDN 100	CT	GRANT - AFTER-SCHOOL ALL STARS	200,000	200,000	A
EDN 100		TEACHER RECRUITMENT AND RETENTION FOR HARD TO FILL INCENTIVE	3,600,000	3,600,000	A
EDN 200	GP	NAT'L ASSESSMENT OF EDUCATION PROGRESS STATE COORDINATOR PROGRAM	22,000	22,000	P
EDN 200	GD	DECLINING BALANCE DEBIT CARD	500,000	500,000	A
EDN 200	CT	GRANT - READ ALOUD AMERICA	100,000	100,000	A
EDN 200	CT	GRANT - READ TO ME INTERNATIONAL	100,000	100,000	A
EDN 300		OFFICE OF STRATEGY, INNOVATION, AND PLANNING	1,080,184	1,080,184	A
EDN 300	KO	ALTERNATIVE TEACH ROUTE PROGRAM	670,000	670,000	A
EDN 700	PK	COMPUTER EQUIPMENT	21,240	21,240	A
Sub-total			6,693,424	6,693,424	
By MOF			6,671,424	6,671,424	A
			22,000	22,000	P

<u>Prog ID</u>	<u>Org</u>	<u>Description</u>	<u>FY 18</u>	<u>FY 19</u>	<u>MOF</u>
ADD: CB					
		COLLECTIVE BARGAINING	33,829,720	33,829,720	A
		COLLECTIVE BARGAINING	141,779	141,779	B
		COLLECTIVE BARGAINING	2,653,646	2,653,646	N
		COLLECTIVE BARGAINING	147	147	P
		COLLECTIVE BARGAINING	-	-	T
		COLLECTIVE BARGAINING	-	-	U
		COLLECTIVE BARGAINING	54,189	54,189	W
Sub-total			36,679,481	36,679,481	

GUIDELINES FOR OPERATING AND CAPITAL IMPROVEMENT PROGRAM
BUDGETS FOR FB 2017-19 AND THE PLANNING PERIOD

Budget submissions shall include all costs of Executive Branch agencies and programs, including operating, current lease payment and capital improvement program project (CIP) costs by the appropriate means of financing (MOF).

All requests for operating and capital improvement program budget authorizations shall conform to the guidelines contained herein. For additional information, departments should also refer to:

- Attachment 3 (*Additional Operating Budget Detail Guidelines FB 2017-19 and the Planning Period*).
- Attachment 6 (*General Budget Information and Instructions for Completing Program Budget Request Forms (August 2016)*).

A. OPERATING BUDGET

The following instructions apply to all MOF, except as otherwise noted.

1. Departmental Budget Ceilings

Attachment 1 contains the operating budget ceilings established for each department for all MOF. The ceilings are based on each department's FY 17 appropriations, less non-recurring expenses, and plus collective bargaining, as applicable.

2. Requests for Trade-Off and Transfer and Conversion of Unbudgeted Positions

Departments should consider whether it is feasible to reallocate current resources to address their operating program needs. Departments should review current expenditures which are not appropriately budgeted (i.e., budgeted in the wrong line item or program) and submit trade-off and transfer requests to ensure that budgeted amounts appropriately reflect anticipated program expenditures by line item. Departments are encouraged to use their resources wisely to accommodate the changing conditions and priorities of State programs and to increase efficiency.

Departments should also ensure that they are able to meet the requirements of Act 160, SLH 2015, which, effective July 1, 2017, 1) defines "position ceiling" as the maximum number of permanent and temporary positions that an expending agency is authorized for a particular program and 2) prohibits the expenditure of funds to fill a permanent or temporary position for the lowest level of a program if the filling of that position causes the position ceiling for that level of the program to be exceeded, with exceptions for a:

- a. Position established by the University of Hawaii (UH) or the Hawaii Health Systems Corporation;
- b. Position that is entirely federally funded;
- c. Position that is necessary for compliance, without undue delay, with a court order or decree if the director of the Department of Human Resources Development determines that recruitment through normal civil service procedures would likely result in delay or noncompliance;
- d. Position approved by the Governor for a special, research, or demonstration project of an agency;
- e. Position approved by the Governor to perform an emergency management function under the Department of Defense pursuant to the authority of Section 127A-12(b)(9);
- f. Casual hire position;
- g. Vicing position;
- h. Position established by an agency pursuant to express statutory authorization to establish the position; and
- i. Position established by an agency for a program or project funded by an appropriation in an Act other than a General or Supplemental Appropriations Act.

As such, all other unbudgeted positions that are critical and anticipated to be ongoing must be identified and incorporated into the budget. Additional funding will not be provided for these positions because they are currently funded within existing budgets; as such, only requests for "Conversion of Unbudgeted Positions" (trade-off and transfer) may be submitted.

Requests for trade-off and transfer or conversion of unbudgeted positions shall be cost neutral; however, requests for conversion of unbudgeted positions may include new temporary or permanent position counts. All such requests shall be prioritized; corresponding requests shall share the same priority number.

Use **Form B** to list all trade-off and transfer and conversion of unbudgeted positions requests in the "Trade-Off and Transfer and Conversion of Unbudgeted Positions Requests" portion of the form and **Form A** to propose and justify a trade-off and transfer or conversion of unbudgeted positions request. **Form A-Attachment** may be used to list multiple trade-off and transfer or conversion of unbudgeted positions requests.

3. Requests for Fixed Cost and Entitlement Expenses

Requests for the following fixed cost and entitlement expenses will be considered:

- Debt Service

AGS 231: Finance agreement payments

BUF 721, BUF 725, BUF 728: Principal and interest on general obligation (G.O.) bonds

TRN 195, TRN 395, TRN 595: Principal and interest on Department of Transportation's revenue bonds and G.O. reimbursable (G.O.R.) bonds

- Employee Fringe Benefits

BUF 741, BUF 745, BUF 748: Pension Accumulation, Social Security and Medicare

BUF 761, BUF 765, BUF 768: Employer-Union Health Benefits Trust Fund premiums for health insurance

- Medicaid/QUEST

HMS 401: Health care payments

Use **Form B** to list all fixed cost and entitlement expense requests in the "Allowable Non-Discretionary Expense Requests" portion of the form and **Form A** to propose and justify a fixed cost and entitlement expense request.

4. Requests for Appropriated Federal Fund Adjustments

In 2013, B&F and the Department of Accounting and General Services initiated processes to change the way the State budgets for and accounts for federal awards with the intent of increasing transparency on the use of federal funds and improving the State's ability to meet federal requirements. Implementation of these changes continues, as this department's Office of Federal Awards Management (OFAM) will introduce a new online electronic workflow for **Form FF** (*Federal Awards for FB 2017-19*). (OFAM will provide additional information under separate cover.)

The list of "*Major, Recurring Federal Awards for FB 2017-19*" (Attachment 7) shall be used to determine the appropriate MOF for all federal awards anticipated to be received and appropriated in FY 18 and FY 19 (a copy of this list can also be found at www.federalawards.hawaii.gov). Federal awards on this list shall be budgeted as MOF "N." All other federal awards shall be budgeted as MOF "P."

Form FF must be completed and submitted for each Program ID from which federal funds are anticipated to be expended during FB 2017-19 and shall include the following:

- All awards assigned to your department from the list of *"Major, Recurring Federal Awards for FB 2017-19"* under MOF "N" (federal funds).
- All other recurring, including currently non-appropriated, or anticipated awards under MOF "P" (other federal funds). Anticipated awards under MOF "P" may be included if you reasonably expect to apply for and receive a federal award that has not been designated as MOF "N."
- The total amount of each federal award anticipated to be received in FY 18 and/or FY 19, regardless of the performance period. Departments should make reasonable estimates of anticipated grant award amounts based on the prior grant awards and/or by discussion with the awarding federal agencies.
- Due to the extended lapse date for prior years' federal fund appropriations, anticipated carryover amounts from previous years should not be included on **Form FF** or included in the budget ceiling.

FY 18 and/or FY 19 federal fund (MOF "N" or "P") budget requests may be submitted:

- For appropriation ceiling increases required because the total amount of awards anticipated to be received in the respective fiscal year exceeds the budget ceiling for the respective MOF (to be indicated on **Form FF**).

Given the uncertain nature of future federal funding levels and the likelihood that an increase in federal funds, besides for Medicaid, will be limited, programs should not assume that State funds will be available to support program costs if federal funds are reduced or no longer available.

- For appropriation ceiling decreases required because the total amount of awards anticipated to be received in the respective fiscal year is less than the budget ceiling for the respective MOF (to be indicated on **Form FF**).
- To correct the MOF for awards appropriated in Act 119, SLH 2015, as amended by Act 124, SLH 2016, and anticipated to be received in FY 18 and/or FY 19, if necessary.
- Note: Changes in receipts must be reflected in the Quarterly Update of Revenue Estimates.

Use **Form B** to list federal fund adjustment requests which do not require adjustments to general funds or other means of financing in the "Federal Fund Adjustment Requests" portion of the form and **Form A** to propose and

justify a federal fund adjustment request. Federal fund adjustment requests which have matching general or other fund requirements should be listed on the **Form B** in the "Other Requests" portion.

5. Requests for Public Health and Safety or Immediate Requirements of Court Orders or Federal Mandates

Budget requests may be proposed to provide for public health and safety needs or to meet the immediate requirements of court orders or federal mandates.

Use **Form B** to list all public health and safety requests or requests to meet the immediate requirements of court orders or federal mandates in the "Other Requests" portion of the form and **Form A** to propose and justify each request related to public health and safety or meeting the immediate requirements of court orders or federal mandates.

6. Requests for Full-Year Funding for New Positions

Departments with new positions which were partially funded in FY 17 may request full-year funding for those positions.

Use **Form B** to list requests for full-year funding for new positions in the "Other Requests" portion of the form and **Form A** to propose and justify each request for full-year funding for new positions.

7. Requests for Adjustments to Legislatively Identified Non-Recurring Items

Departmental budget ceilings were reduced by the amount of non-recurring items identified in the legislative worksheets for Act 119, SLH 2015, as amended by Act 124, SLH 2016, for all means of financing. Because many items identified in the worksheets appear to be recurring-type expenses based on the worksheet descriptions, requests to reinstate these items will be considered.

Use **Form B** to list all adjustments to non-recurring item requests in the "Other Requests" portion of the form and **Form A** to propose and justify an adjustment to non-recurring item request.

8. Other Requests

Departments may submit other requests for funding necessary for program implementation which are **sustainable and reasonable**.

Use **Form B** to list requests for other requests in the "Other Requests" portion of the form and **Form A** to propose and justify each request for funding for other requests.

9. Requests for Special, Revolving and Appropriated Trust Funds

Special, revolving and appropriated trust fund requests may be submitted for the purposes listed above. The following should also be considered:

- Requests to meet requirements for fringe benefit assessment rate increases may be necessary. The fringe benefit assessment rate is estimated to increase to 60% for FY 18 and FY 19. These requests shall be categorized as "Other Requests."
- Increases to appropriation ceilings may be requested if **sufficient special, revolving and appropriated trust fund revenues** will be available to accommodate all such requests through the biennium and beyond and if such increases will not require additional general fund appropriations.

Departments must provide sufficient basis for any revised estimates. A financial plan for the fund supporting the request must also be submitted. (Note: Changes in receipts must be reflected in the Quarterly Update of Revenue Estimates.)

10. The Operating Budget shall conform to the following guidelines:

a. Funding of Positions

- Existing positions must be funded for the full year. This requirement also applies to vacant positions that departments choose to retain in their programs. Positions that are not funded should be eliminated.
- New positions shall be funded for a maximum of six months in the first year, then for the full year thereafter.
- Departments must meet the requirements of Act 160, SLH 2015, which, effective July 1, 2017, 1) defines "position ceiling" as the maximum number of permanent and temporary positions that an expending agency is authorized for a particular program and 2) prohibits the expenditure of funds to fill a permanent or temporary position for the lowest level of a program if the filling of that position causes the position ceiling for that level of the program to be exceeded, with exceptions (see Item A.2).

b. Collective Bargaining Adjustments

Estimated ongoing full-year costs for FY 18 and FY 19 resulting from previous years' collective bargaining adjustments for all State bargaining units are included in each department's budget ceilings for FY 18 and FY 19, as applicable.

Use **Form C** to allocate collective bargaining adjustments among Program IDs and organization codes to establish appropriate base amounts.

c. Financing Agreements

Chapters 37 and 37D, HRS, provide separate requirements for the budgeting and management of "*financing agreements*" and related transactions.

A "*financing agreement*" includes any lease purchase agreement, installment sale agreement, loan agreement, line of credit, or other agreement to finance the improvement, use, or acquisition of real or personal property that is or will be owned or operated by the State or any agency or to refinance any such previously executed financing agreement including certificates of participation relating thereto.

"*Financing agreement*" applies, but is not limited to, agreements involving tangible personal property, software (including software, training, and maintenance contracts related to the operation of computer equipment), fixtures, and property rights. (See Executive Memorandum (E.M.) No. 96-17, dated November 15, 1996, Relating to Financing Agreements.)

All funding for such financing transactions and liabilities, whether current or proposed, must be budgeted as a separate cost element in each fiscal year.

"Operating" cost categories must include a separate cost element for "current lease payments," in addition to the existing "personal services," "other current expenses," "equipment," and "motor vehicles." Note: Any lease purchase agreement, master lease agreement, installment sale agreement, or other similar financing agreement used to fund property rights, equipment, or motor vehicles, should be included on a separate Table "BK" for "current lease payments."

- d. Additional Guidelines. Additional information and guidelines are provided in Attachment 3 (Additional Operating Budget Detail Guidelines for FB 2017-19 and the Planning Period), which should be referenced for more specific details on the Operating Budget.

B. CAPITAL IMPROVEMENT BUDGET

CIP project requests may be submitted for the following:

- a. To provide major repair and maintenance (R&M) for a public or educational facility.
- b. To complete later phases of an ongoing CIP project.

- c. To address public health and safety, court orders/consent decrees or federal mandates.
- d. To improve energy efficiency or conservation.
- e. To provide public infrastructure improvements.
- f. To provide other capital improvements necessary for program implementation, which are **sustainable and reasonable**.

Departments are reminded that the capital improvement budget shall conform to the following guidelines:

1. Major R&M includes projects that extend the useful life of a facility or provide for greater functional/operational efficiency through a significant improvement or upgrade. The life expectancy of the project should be generally over 15 years. Examples include: reroofing, air conditioning equipment, refurbishing of building space or building infrastructure, major improvements to public facilities.
2. There shall be no general funded (cash-funded) CIP requests, except for project funded staff costs.
3. Departments are encouraged to identify and lapse projects with lower priority to ensure the availability of funds for other statewide capital needs. CIP trade-offs may also be proposed.
4. All requests will be reviewed and scrutinized for their impact on debt service and operating costs.
5. Pursuant to Act 135, SLH 2014, and Act 150, SLH 2015, departments submitting CIP requests must provide estimates of operational costs for each proposed CIP project and furnish all documents that support each operational cost estimate. **Form CIP Op** (*Estimated Operating Costs Related to CIP Requests*) and **Form CIP Op B** (*Department Summary of Estimated Operating Costs Related to CIP Requests*) have been developed to standardize reporting of CIP operational costs in conformance with these Acts.

Operating cost information must be included in **Table R** (*Capital Project Information and Justification Sheet*), **Form CIP Op** (*Estimated Operating Costs Related to CIP Requests*) and **Form CIP Op B** (*Department Summary of Estimated Operating Costs Related to CIP Requests*) for all CIP budget requests.

6. To facilitate federal fund reporting requirements, federal funds shall be budgeted as follows:

- Federal funds - MOF "N"
- Other federal funds - MOF "P"

A list of "Major, Recurring Federal Awards for FB 2017-19" is attached for your reference. Federal grants on this list shall be budgeted as MOF "N." All other grants shall be budgeted as MOF "P." Federal fund ceilings shall be requested to accurately reflect anticipated federal grant award amounts.

7. CIP requests financed by federal funds or other federal funds which require extended lapse dates (biennium plus five years) to meet the requirements of their federal awards must include the following language in their project description: "This project is deemed necessary to qualify for federal aid financing and/or reimbursement."
8. Departments requesting CIP financed by special funds, revolving funds, or revenue bonds must ensure that:
 - The public undertaking, so funded, will be self-supporting.
 - The responsible program will be able to impose appropriate rates and charges to accommodate the cost of the undertaking, including payment of principal and interest, and that these revenues are reflected in the Quarterly Update of Revenue Estimates.
 - A special fund has been authorized to provide dedicated funds for such purposes.

Departments should consider the impact such authorizations would have on their departmental special fund operating budget requirements and ceilings and should ensure that sufficient revenues are available to fund the related operating and CIP costs.

9. Projects funded by "financing agreements" instead of long-term debt proceeds:
 - Whenever the financing transaction used in any project (or cost element therein) does not entail funding by G.O. bonds or other long-term debt, but entails a "financing agreement" as defined by Chapter 37D, HRS, the portion thus financed shall be submitted as a separate and distinct project. The title of such a project shall refer to the financing mechanism as well as the project (e.g., "Lease-purchase of Land for Kamehameha Highway Extension," to be funded by special funds).
 - When "financing agreements" are being considered, departments must inform B&F of such plans and obtain an initial consent regarding the appropriateness of such agreements.

Departments with projects funded by "*financing agreements*" instead of long-term debt proceeds should refer to additional guidelines in E.M. No. 96-17, dated November 15, 1996, for further clarification.

10. Agencies should consider the feasibility of participating in the development of a joint use facility before requesting CIP funding for single agency facilities.
11. Works of Art. Departments are reminded that CIP budget requests should include 1% for Works of Art in accordance with Section 103-8.5, HRS, as amended, and criteria set forth by the State Comptroller.
12. **Form PAB** (*Questionnaire - G.O. Bond Fund Appropriations*) must be completed and submitted for every project to be funded with G.O. and G.O.R. bond funds.

User and expending agencies of CIP which are funded by G.O. or G.O.R. bonds are reminded of compliance requirements of the Tax Reform Act of 1986, including amendments thereto. In order for G.O. and/or G.O.R. bonds to qualify for federal tax-exemptions, the Internal Revenue Code (IRC) requires that bond proceeds be used only for governmental purposes. Expending agencies undertaking G.O. and G.O.R. funded projects are responsible for monitoring project use and reporting to B&F at certain stages of the project. See Attachment 6, Item 7.2, for more information.

If assistance in completing this form is required, the Financial Administration Division of B&F should be contacted.

C. OTHER REQUIREMENTS

1. Where program or budget requests entail coordination between programs or departments, participating agencies shall ensure that clear delineations of responsibility have been mutually established and are legally permissible; and that appropriate implementation and/or funding mechanisms are available, including the necessary budget language.
2. Special and other non-general funded departments and programs must conform to these budget submission requirements. Further, such departments and programs should be reminded of Section 37-52, HRS, which provides that "*... departments and establishments shall not be authorized to make expenditures out of any special fund in excess of the monies available in the special fund.*"

Operating and CIP budget requests, therefore, should not exceed anticipated total resources available in the (non-general) fund for the specified fiscal year. Any changes should be reported to B&F. A financial plan shall accompany the budget request of each special or revolving fund to verify the availability of adequate resources. Numbers should be consistent with those provided in the

budget requests (operating and CIP) and in the Quarterly Update of Revenue Estimates.

3. State agencies contemplating the creation of new programs should be aware of Section 37-68(1), HRS, which requires departments to justify proposed requests for new programs by first demonstrating that such programs: a) are appropriate functions of State government, and b) can be implemented by government as cost-effectively as the private sector.
4. Departments and agencies are reminded that administration decisions to recommend approval of program and capital improvement requests shall be determined by the conformance of such requests with the overall theme, goals, objective, policies, and priority guidelines contained in Chapters 226 and 225M, HRS, Relating to State and Functional Plans.
5. Before submitting operating and capital budget requests for energy funding, departments and agencies shall consult with the energy coordinator at the Department of Business, Economic Development and Tourism for specific energy-related standards, guidelines, and goals pursuant to:
 - Administrative Directive No. 06-01 (Energy & Resource Efficiency and Renewable Energy & Resource Development).
 - State energy policies in accordance with Chapter 196, HRS.

All energy-related budget requests must be consistent with such standards, guidelines, and goals.

D. SUBMISSION REQUIREMENTS AND FORMATS

1. Operating Submission Requirements

The following forms, as applicable, must be completed as part of your department's operating budget submission:

- a. Use **Form C** (*Summary of Current Operating Base*) to provide a breakdown of the department's budget base in FY 18 and FY 19 by Program ID, Organization Code and MOF.
- b. Use **Form A** (*FB 2017-19 Operating Budget Adjustment Request*) to:
 - Propose budget requests for FB 2017-19.
 - Identify details of plus or minus funding in requests for trade-offs/transfers or conversion of unbudgeted positions requests. Use **Form A-Attachment** (*FB 2017-19 Operating Budget Trade-Off/Transfers*) to list multiple trade-off and transfer or conversion of unbudgeted positions requests.

Budget information on **Form A** should be as detailed as possible to facilitate the update of BJ tables by cost element (to be completed if the request is approved).

- c. Use **Form B** (*FB 2017-19 Department Summary of Operating Budget Adjustment Requests*) to list all budget adjustment requests of the department, by Program ID and Organization Code. List the requests sequentially by department priority, with a separate priority order for each section (trade-off and transfer and conversion of unbudgeted position requests, allowable non-discretionary expense requests, federal fund adjustment requests, and other requests) with (1) indicating the "highest priority." Do not use duplicate or sub-priority numbers, such as 1A, 1B, etc., within a section; however, duplicate numbers may be used for corresponding trade-off/transfer requests or requests with multiple MOFs.
- d. An updated six-year financial plan shall be submitted for each special or revolving fund with related budget requests. The updated financial plan amounts should be consistent with those provided in the budget requests (operating and CIP) and in the Quarterly Update of Revenue Estimates. Discussion of assumptions used for revenue estimates should be provided.
- e. Use **Form FF** (*Federal Awards for FB 2017-19*) to list all federal grants by Program ID, organizational code and MOF for all programs which require federal fund ceilings for FB 2017-19. OFAM will send out instructions for the new online form and electronic workflow under separate cover.
- f. Update **BJ Summary Tables**. Please note that all departments are required to provide temporary position counts (in addition to the permanent position counts which are already provided) on their BJ Summary tables pursuant to Act 160, SLH 2015, which requires that permanent and temporary position ceilings be included in the budget documents. Refer to the attached Instructions for BJ Summary Tables Update, Budget Narratives, and CIP Requests for details.
- g. Prepare **Budget Narratives** (also referred to as Program Plan Narratives). Refer to the attached Instructions for BJ Summary Tables Update, Budget Narratives, and CIP Requests for details. Budget Narratives should be prepared using the new "Narrative" feature in eBUDDI.
- h. Departments should be prepared to initiate necessary enabling legislation, or appropriate rule changes, to coincide with budget requests, as applicable. Legislative proposals shall be coordinated with the Governor's Office. Additionally, the Department of Budget and Finance (B&F) analyst assigned to your department should be informed of the applicable proposals as part of the budget review.

2. CIP Submission Requirements.

CIP budget requests and/or adjustments shall be submitted according to the following procedures:

a. All departments are required to use eCIP, B&F's web-based CIP system, to update the CIP tables and prepare their CIP budget request:

- Use **Table P** (*Capital Project Details*) to request appropriations for allowable projects.
- Use **Table Q** (*Capital Project Details*) to provide project schedule, expenditures, and other information for each respective CIP request.
- Use **Table R** (*Capital Project Information and Justification Sheet*) to provide narrative project information and justification for each respective CIP request.
- Use **Form S** (*FB 2017-19 Department Summary of Proposed CIP Lapses and New CIP Requests*) to summarize projected CIP requests and to identify appropriations for trade-off or lapsing. Requests on **Form S** shall be prioritized with (1) as "highest priority," and so on. Projects proposed for lapsing shall be prioritized with (1) as "first to be lapsed," and so on. All requests shall be listed sequentially using unique priority numbers. Do not use duplicate or sub-priority numbers, such as 1A, 1B, etc.; duplicate priority numbers may only be used for corresponding requests with multiple MOF.

Form S (Biennium) shall be downloaded from eCIP in blank form or prefilled with Table P data from projects which have already been inputted for FB 2017-19.

- b. **Form PAB** (*Questionnaire - General Obligation Bond Fund Appropriations*) (revised September 2013) must be completed for all G.O. and G.O.R. bond funded CIP requests to indicate anticipated private activity use of State facilities.
- c. **Form CIP Op** (*Estimated Operating Costs Related to CIP Requests*) and **Form CIP Op B** (*Department Summary of Estimated Operating Costs Related to CIP Requests*) must be completed for all CIP requests to indicate the anticipated operating costs related to each CIP project requested.

3. Additional Requirement.

Act 150, SLH 2015, also requires that each agency responsible for operating or maintaining a State-owned building, facility or other improvement furnish B&F with an estimate of the deferred maintenance costs for the building,

facility or other improvement. Deferred maintenance cost refers to the cost of R&M of the State-owned building, facility or other improvement which has been delayed past the ordinary R&M cycle.

A summary of the deferred maintenance costs must be provided in the Supplemental Budget document. As such, all departments responsible for operating or maintaining a State-owned building, facility or other improvement must complete and submit **Form DMC** (*Department Summary of Estimated Deferred Maintenance Costs*). Detailed worksheets and other supporting details should be available upon request.

E. AVAILABILITY OF ELECTRONIC FORMS

Electronic files for budget forms, other than those noted below, will be e-mailed to your Administrative Services/Budget Officers and will also be available on the B&F website.

The following forms should be completed on the online systems indicated:

- **Budget narratives** shall be filled out online, using the new "Narrative" feature in eBUDDI. Your department will be notified when the feature is available for inputting.
- **Form S (Biennium)** (*FB 2017-19 Department Summary of Proposed CIP Lapses and New CIP Requests*) shall be downloaded in blank form or prefilled with Table P data from projects which have already been inputted for FB 2017-19.
- **Form FF**, prefilled with information from your department's FY 17 Form FF, will also be available to fill out online with electronic workflow on Datamart, Federal Awards Management System (FAMS). OFAM will provide additional information regarding the new **Form FF** process under separate cover.

Committee Action on the Department of Education's Proposed Operating Biennium Budget for the 2017-2019 Fiscal Biennium

AMY S. KUNZ | Senior Assistant Superintendent & CFO, Office of Fiscal Services

October 4, 2016



DEPARTMENT'S BUDGET DEVELOPMENT TIMELINE

- ✓ Support fiscal transparency — shared a partial and preliminary list of FB2017-19 requests.
- ✓ Support collaborative budget development — sought Committee feedback.

8/26 – B&F
Memo 16-12
issued

9/6 – SAC
(sharing &
feedback)

9/20 – HR &
FIC (sharing
& feedback)

10/4 – Action Item:
Budget Proposal, FB
2017-19 (FIC, GBM)

AUG

SEP

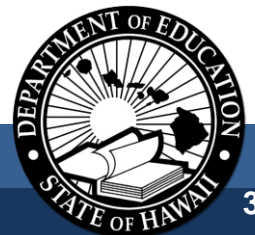
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INSTRUCTIONS FROM STATE

Finance Memorandum 16-12: Fiscal Biennium 2017-19 Executive Budget Request – Instructions, released afternoon of Friday, August 26:

- ✓ The Administration is “optimistic about Hawaii’s economy.”
- ✓ “Will take a cautious approach in developing the FB2017-19 Executive Budget.
- ✓ Requests “must be sustainable and reasonable.”
- ✓ Education listed as first of five Administration priorities for upcoming biennium. “Education, which is fundamental to our children and our future. Our schools must be able to provide suitable learning environments.”



INSTRUCTIONS FROM STATE

HIDOE “**Budget Ceiling**” for General Fund = **\$1,594,837,278**

FY17 Appropriation – **Nonrecurring** + **Collective Bargaining**

\$1,567,678,982

(FY17)

- \$6,671,424

(FY17 & FY18)

+ \$33,829,720

FY18 & FY19

-\$3,600,000* for Hard to Staff teacher Incentive

-\$1,080,184* of the Office of Strategy, Innovation, and Performance

-\$670,000 for Alternative Teacher Certification

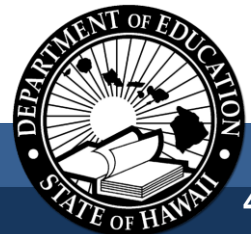
-\$500,000 for Declining Balance Debit Card pilot

-\$400,000 for Student Travel

-\$400,000 for Grants-in-Aid

-\$21,240 for EOEL computer equipment

****NOT** identified by Legislature as “non-recurring”*



INSTRUCTIONS FROM STATE

Finance Memorandum 16-12: Fiscal Biennium 2017-19 Executive Budget Request – Instructions:

- ✓ The non-general fund employees' fringe benefit rate for FB2017-19 planning purposes is 60% (FY16 rate is 49.54%, FY15 rate was 42.49%)
- ✓ Deadline: Friday, September 23, 2016
 - HIDOE has been granted an extension until October 4, 2016.
 - All budget submissions will be subject to the review and evaluation of B&F and the Governor.



DEPARTMENT'S INTERNAL REVIEW

Date	Action	Implication
August 12	DOE internal deadline for Offices to submit new request proposals	Established the PRELIMINARY list of requests to be shared with the BOE Committees for feedback
August 26	F.M. 16-12 Executive Biennium Budget Instructions Issued	<ul style="list-style-type: none"> Established HIDOE Budget Ceiling Established guidelines for requests
Sept 6	PRELIMINARY list of requests presented to SAC	Opportunity for BOE and public notification of budget request proposals
Sept 14	Department's Salary Re-project completed	Compare to the Budget Ceiling to determine amounts available for reprioritization
Sept 20	PRELIMINARY list of requests presented to HR and FIC	Opportunity for BOE and public notification of budget request proposals
Late Sept	Department assigned the amount available for reprioritization to meet several requests.	Several compliance requirements, priority areas, and program efficiency



ADJUSTMENTS TO FUND REQUESTS

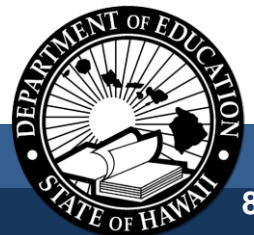
FIC Meeting Dates	FY18 Total General Funds	FY19 Total General Funds
September 20, 2016	\$102,545,303	\$106,477,252
Total Adjustments	-\$18,883,201	-\$15,749,967
October 4, 2016	\$83,662,102	\$90,727,285

Type of Adjustment	FY18 General Funds	FY19 General Funds
Revised Request Amounts	-\$4,064,084	\$-930,850
Requests funded via Trade-Offs or Transfers	-\$14,819,117	-\$14,819,117
Total Adjustments	-\$18,883,201	-\$15,749,967



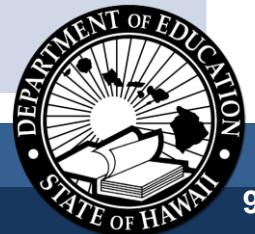
ADJUSTMENTS TO FUND REQUESTS

Revised Requests	FY18 General Funds	FY19 General Funds
Equipment to Occupy New School Facilities	\$0	\$3,133,234
Utilities	\$1,662,912	\$1,662,912
Heat Abatement Maintenance	-\$2,878,670	-\$2,878,670
Early Learning Resource Teachers (10 to 12 months)	-\$248,326	-\$248,326
Future Ready Learning for Schools	\$1,000,000	\$1,000,000
Hard to Staff for Teachers	-\$3,600,000	-\$3,600,000
Total	-\$4,064,084	-\$930,850



ADJUSTMENTS TO FUND REQUESTS

Requests funded via Trade-Offs or Transfers	FY18 General Funds Request Adjustment	FY19 General Funds Request Adjustment
Training & Licensure of Para-Professionals (EDN150)	-\$4,700,278	-\$4,700,278
Workers Compensation (EDN100)	-\$4,000,000	-\$4,000,000
Preschool Teachers & EAs (for 60.0 positions) (EDN150)	-\$2,381,900	-\$2,381,900
Sabbatical Leave – Teachers (EDN200)	-\$1,408,000	-\$1,408,000
Skilled Nursing Services (EDN150)	-\$1,000,000	-\$1,000,000
Teacher License Fees (EDN100)	-\$500,000	-\$500,000
Early Learning Resource Teachers (EDN700) (10- to 12-month conversions for 6.0 positions, K Entry Assessment, and Institutional Analyst)	-\$214,595	-\$214,595



ADJUSTMENTS TO FUND REQUESTS

Requests funded via Trade-Offs or Transfers	FY18 General Funds Request Adjustment	FY19 General Funds Request Adjustment
Facilities & Support Services (3.0 positions) (EDN400)	-\$185,451	-\$185,451
Civil Rights Compliance Capacity (2.0 positions) (EDN300)	-\$183,818	-\$183,818
Environmental Services Unit (2.0 positions & funds) (EDN400)	-\$169,823	-\$169,823
Facilities Services (1.0 Janitor) (EDN400)	-\$38,928	-\$38,928
Adult Education – Workforce Innovation Opportunity Act (partial funding) (EDN500)	-\$36,324	-\$36,324
Total	-\$14,819,117	-\$14,819,117

BUDGET FOCUS: FINANCE & INFRASTRUCTURE

Three areas of budget request

1

Additional supports for students, teachers & schools
\$69.9 million in FY18; \$76.9 million in FY19

2

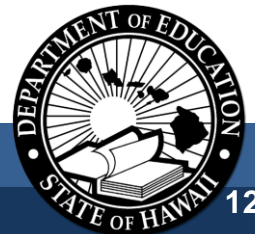
Required by Federal/State law, contracts, labor agreements
\$8.2 million for both FY18 & FY19

3

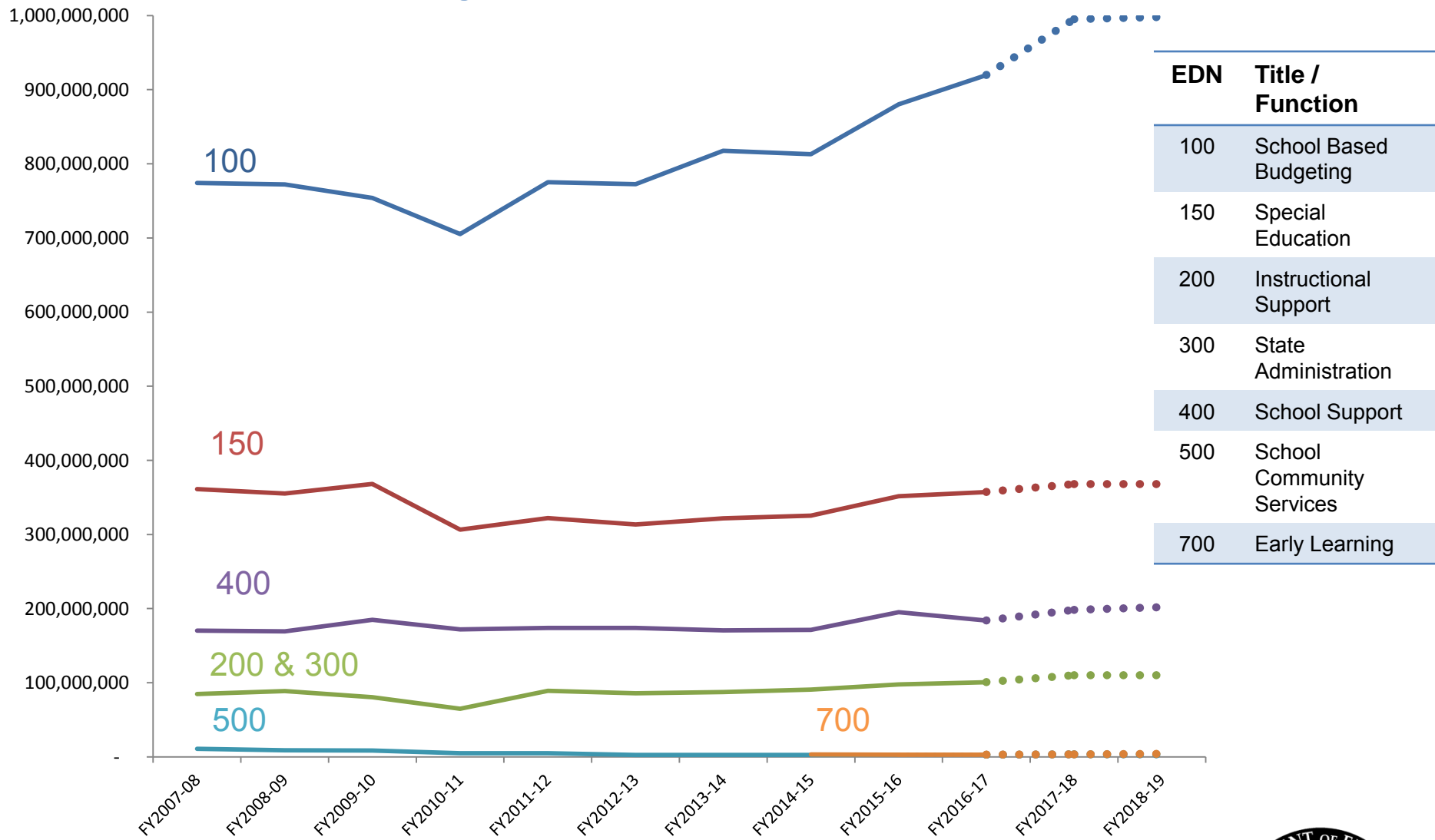
Support for Board policies, HIDOE Priority Strategies, Strategic Plan themes
\$5.6 million for both FY18 & FY19

Summary by EDN: General Fund Requests

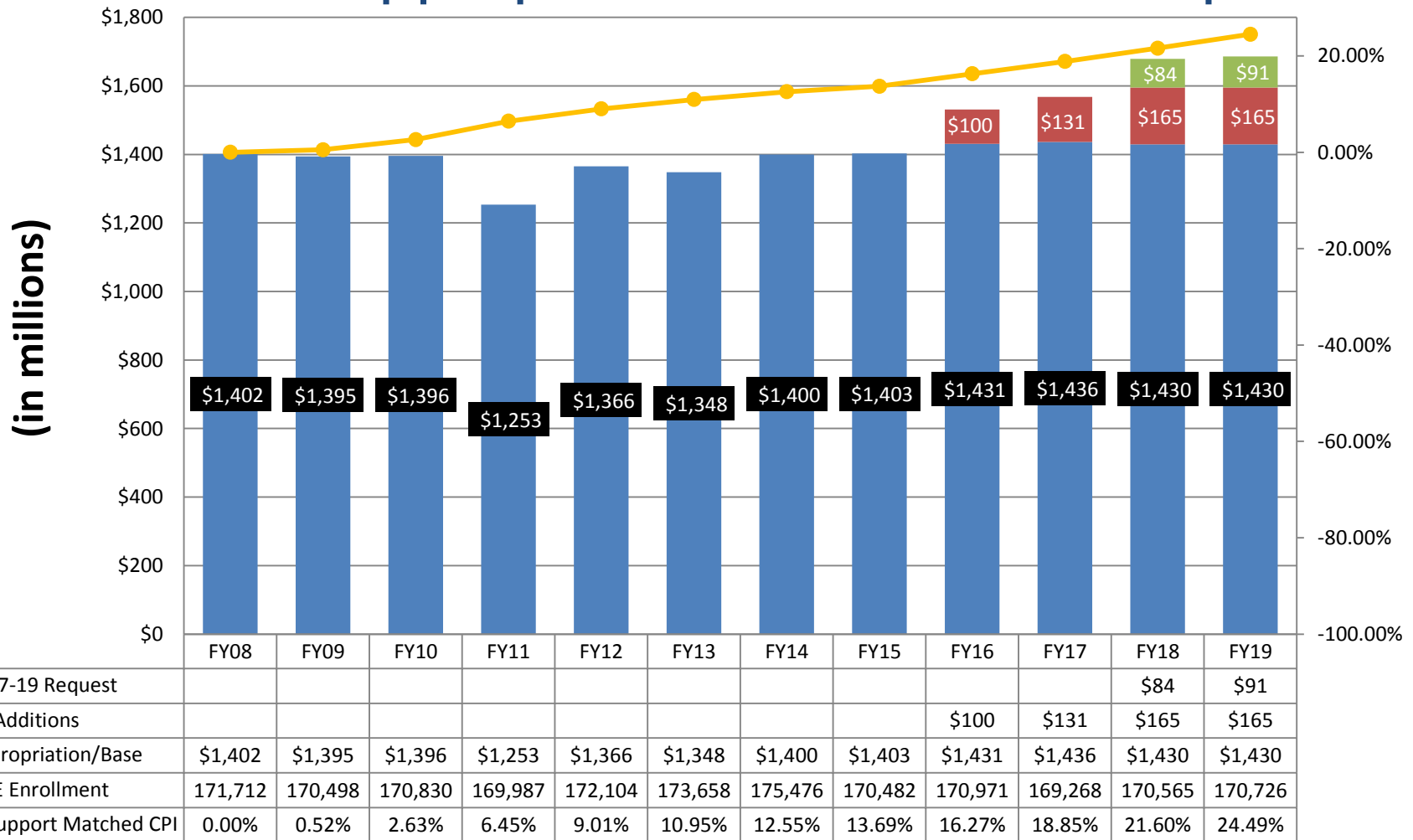
EDN	FY 2008			FY 2009		
	PERM FTE	TEMP FTE	TOTAL	PERM FTE	TEMP FTE	TOTAL
100 – School Support	6	-0.05	\$59,591,867	6	-0.05	\$62,517,594
150 – Special Education & Student Support Services	63			63		
200 – Instructional Support	40		\$3,548,530	40		\$3,548,530
300 – State Administration	52	-1	\$7,470,940	52	-1	\$7,470,940
400 – School Support	10		\$12,155,213	10		\$15,524,691
500 – School Community Services	6		\$533,868	6		\$533,868
700 – Early Learning	2		\$361,684	22		\$1,131,662
Grand Total	179	-1.05	\$83,662,102	199	-1.05	\$90,727,285



Historic EDN funding levels with FB17-19 Request: General Fund



General Fund Appropriation w/FB17-19 Request



* Source: CPI-Honolulu data from DBEDT 2016 3rd Quarter Economic Outlook. FY18 & 19 enrollment from 5/16 Projection
 CB Addition amounts for FY18 and FY19 are FY17 CB + \$33.8 million.



INSTRUCTIONS FROM STATE

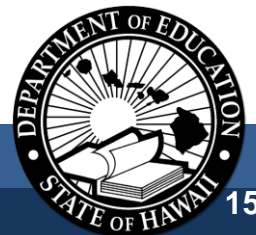
Finance Memorandum 16-12: Fiscal Biennium 2017-19 Executive Budget Request – Instructions:

Federal Fund Ceilings

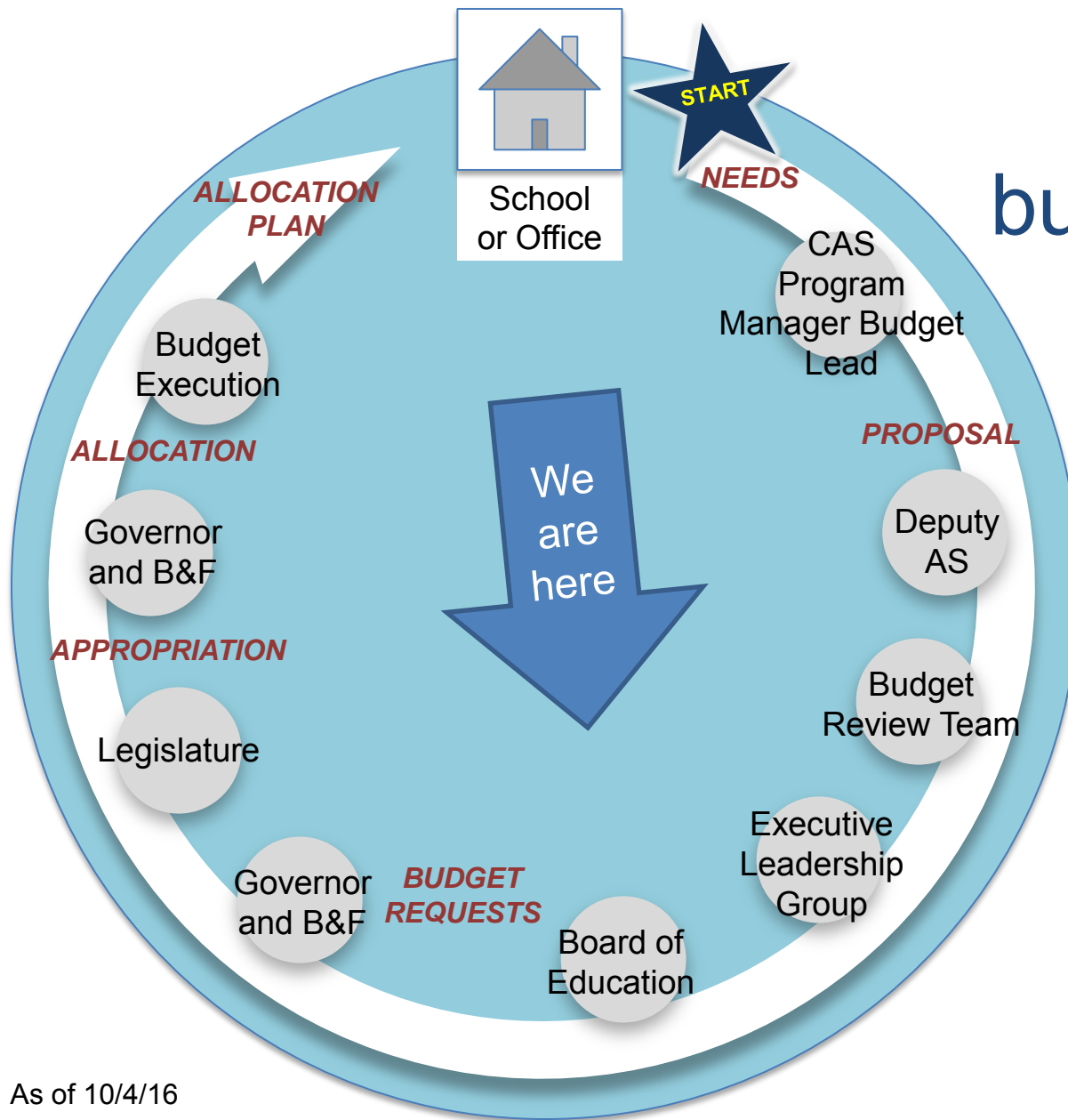
- Departments should make reasonable estimates of anticipated grant award amounts based on prior grant awards and/or by discussion with awarding federal agencies.

Special, Revolving, and Trust Fund Ceilings

- Ceiling adjustments may be requested if the funds are projected to have sufficient revenues to accommodate such requests.



FB2017-19 budget process



May: web-based budgeting tool released

June: Set up budget process & timeline with Supt Leadership.

July: Program Managers review & rebuild budgets, needs assessment

Aug 12: Proposals due for current and new requests

Aug-Sept: Summarize requests, evaluate & strengthen documentation for current service budgets

Aug 15-22: New requests to be evaluated and justified

Aug 26: Date for issuance of B&F Biennium Budget Instructions

Sept 6 & 20: Presentation for BOE Committees' Review

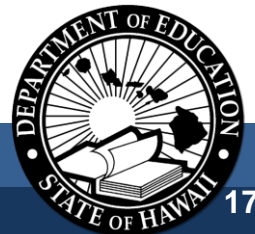
Oct 4: FIC and BOE action on recommendations

As of 10/4/16

NEXT STEPS

Once the Board Approves the Budget Request:

- ✓ Listing of line item adjustments and justification immediately due to the Department of Budget and Finance (B&F)
- ✓ B&F will make its recommendation to the Governor, and the Governor will make decisions.
- ✓ Historically Departments have been allowed an opportunity to discuss the preliminary decisions with the Governor.
- ✓ Governor's Budget is due to the Legislature 30 days prior to the start of the 2017 Session (on or about December 19)





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