The Honorable Donna Mercado Kim,
    President
    and Members of the Senate
Twenty-Seventh State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear President Kim, Speaker Souki, and Members of the Legislature:

This is to inform you that on June 24, 2014, the following bill was signed into law:

HB648 HD1 SD1 CD1 RELATING TO STATE FINANCES
ACT 134 (14)

Sincerely,

NEIL ABERCROMBIE
Governor, State of Hawaii
A BILL FOR AN ACT

RELATING TO STATE FINANCES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

PART I.

SECTION 1. The purpose of this Act is to address state finances. More specifically, this Act repeals or reduces certain specific appropriations that were made in acts passed during the regular session of 2013 and that the respective designated expending agencies are not planning to expend in fiscal year 2013-2014.

The legislature finds that this Act enables the savings to be expressly identified as part of the carryover balance for fiscal year 2014-2015 in the state financial plan. The legislature finds that this approach is more efficient than simply allowing the unexpended and unencumbered amounts to lapse. Because lapsed appropriations do not become known until after the fiscal year ends, the legislature is unable to consider lapsed appropriations when making budgetary decisions during the regular session immediately preceding the lapse date.
The legislature emphasizes that the repeal or reduction of the appropriations in this Act does not represent discontinuation of support for the de-funded programs. The intent of this Act is to increase the general fund carryover balance.

This Act also authorizes the transfer of excess funds from the medicaid investigations recovery fund to the general fund. The legislature finds that the excess funds are not needed for the requirements of the fund.

PART II.

SECTION 2. The purpose of this part is to repeal the appropriation in Act 222, Session Laws of Hawaii 2013, for the shallow subsidy program for fiscal year 2013-2014.

The legislature finds that the department of human services does not plan to expend the appropriation.


['SECTION 4.—There is appropriated out of the general revenues of the State of Hawaii the sum of $1,000,000 or so much thereof as may be necessary for fiscal year 2013-2014 for a rental assistance program, also known as a shallow subsidy program, for homeless working individuals and their families who...

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\[\text{HB648 CD1 HMS 2014-3488} \]
are ready-to-rent permanent housing to obtain and maintain permanent housing, provided that:

(1) The maximum subsidy shall be $300 per month, provided that in order to qualify for the subsidy, a household shall pay a minimum of forty percent of their adjusted gross income for rent, and

(2) A household's adjusted gross income shall be calculated in the same manner as calculated by the Hawaii public housing authority to qualify for public housing under the authority's control.

The sums appropriated for program and administrative costs associated with establishing and operating the shallow subsidy program shall be expended by the department of human services through a contract issued pursuant to chapter 103F, Hawaii Revised Statutes, and sums appropriated for staff within the homeless program office to administer the program shall be expended by the department of human services for the purposes of this part."

PART III.

SECTION 4. The purpose of this part is to repeal the appropriation in Act 222, Session Laws of Hawaii 2013, for the
homelessness prevention and rapid re-housing program for fiscal year 2013-2014.

The legislature finds that the department of human services does not plan to expend the appropriation.


"SECTION 9. There is appropriated out of the general revenues of the State of Hawaii the sum of $150,000 or so much thereof as may be necessary for fiscal year 2013-2014 for the homelessness prevention and rapid re-housing program.

The sums appropriated shall be expended by the department of human services for the purposes of this part."

PART IV.

SECTION 6. The purpose of this part is to reduce the appropriation in Act 222, Session Laws of Hawaii 2013, for innovative temporary housing solutions for fiscal year 2013-2014.

The legislature finds that the department of human services does not plan to expend the entire appropriation.

SECTION 7. Act 222, Session Laws of Hawaii 2013, is amended by amending section 17 to read as follows:
"SECTION 17. There is appropriated out of the general revenues of the State of Hawaii the sum of \( \$100,000 \) \( \$50,000 \) or so much thereof as may be necessary for fiscal year 2013-2014 for the construction and demonstration of innovative temporary housing solutions as they relate to the working group's findings and recommendations.

The sum appropriated shall be expended by the department of human services for the purposes of this Act."

PART V.

SECTION 8. The purpose of this part is to repeal the appropriation in Act 268, Session Laws of Hawaii 2013, for the Hawaii employer-union health benefits trust fund task force for fiscal year 2013-2014.

The legislature finds that the department of budget and finance does not plan to expend the appropriation.


['SECTION 5.—There is appropriated out of the general revenues of the State of Hawaii the sum of \$185,750 or so much thereof as may be necessary for fiscal year 2013-2014 to support the work of the Hawaii employer-union health benefits trust fund task force, including necessary travel expenses for task force members.
members who reside outside of Oahu and consulting services of
persons knowledgeable in relevant issues.
The sum appropriated shall be expended by the department of
budget and finance for the purposes of this part."

PART VI.

SECTION 10. The purpose of this part is to repeal the
appropriation in Act 268, Session Laws of Hawaii 2013, for a
study on joint investment information and service sharing by the
employees' retirement system and Hawaii employer-union health
benefits trust fund for fiscal year 2013-2014.
The legislature finds that the department of budget and
finance may not be able to expend the appropriation for fiscal
year 2013-2014. This part does not repeal the appropriation for
the study for fiscal year 2014-2015.

SECTION 11. Act 268, Session Laws of Hawaii 2013, is
amended by amending section 13 to read as follows:
"SECTION 13. There is appropriated out of the general
revenues of the State of Hawaii the sum of [$500,000] $100,000
or so much thereof as may be necessary for fiscal year 2013-2014
and the [same] sum [of] $350,000 or so much thereof as may be
necessary for fiscal year 2014-2015 for the department of budget
and finance to conduct a study and develop an implementation
plan to have both the employer-union health benefits trust fund and the employees' retirement system jointly share investment information and services.

The sums appropriated shall be expended by the department of budget and finance for the purposes of this Act."

PART VII.

SECTION 12. The purpose of this part is to authorize the transfer of the excess funds contained in the medicaid investigations recovery fund, established under section 28-91.5, Hawaii Revised Statutes, to the general fund.

SECTION 13. The legislature finds that there is in the medicaid investigations recovery fund, established under section 28-91.5, Hawaii Revised Statutes, at least $1,000,000 in excess of the requirements of the fund. Until June 30, 2014, the director of finance may transfer from the medicaid investigations recovery fund to the general fund the sum of $1,000,000 or so much thereof as may be necessary for fiscal year 2013-2014.

PART VIII.

SECTION 14. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 15. This Act shall take effect upon its approval.
APPROVED this 24 day of JUN, 2014

[Signature]

GOVERNOR OF THE STATE OF HAWAI'I