



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

OFFICE OF THE SUPERINTENDENT

October 18, 2018

TO: The Honorable Kenneth Uemura  
Chairperson, Finance and Infrastructure Committee

FROM: Dr. Christina M. Kishimoto  
Superintendent

A handwritten signature in blue ink, appearing to read "Christina M. Kishimoto".

SUBJECT: **Committee Action on the Department of Education's Proposed Operating Budget for 2019-2021 Fiscal Biennium**

1. RECOMMENDATION

It is recommended that the Board of Education Finance and Infrastructure Committee approve the Department of Education's (Department) operating budget requests for 2019-2021 Fiscal Biennium (FB) as reflected in Attachments A through D.

2. RECOMMENDED EFFECTIVE DATE

Effective upon approval. Approval will allow the submission of the 2019-2021 FB budget requests to the Governor through the Department of Budget and Finance (B&F).

3. RECOMMENDED COMPLIANCE DATE

Upon approval.

4. DISCUSSION

a. Department's approach to the budget and rationale for recommendation:

Hawaii's Blueprint for Education along with the Department's Strategic Plan 2017-2020 provide clear direction in how the work of public education is to be structured and supported. The collective driving commitment is to ensure equitable access to quality education for all public school students.

To continue to advance the Department's work in the area of innovation and empowerment for equity, access, and quality, the 2019-2021 biennial budget priorities are organized under four key areas:

**1) Reprogram Existing Funds to Align with Strategic Priorities**

This budget area requires no new funds and is focused on reprogramming our base budget and funded positions around our strategic priorities. The reprogramming of funds included the recalculation of salary budget projections in order to more efficiently use our present resources without negatively impacting our program activities.

Honoring the request by legislators that the Department first maximize its existing operational and programmatic resources, the Department has completed its reorganization around seven key leadership areas:

- i. Curriculum and Instructional Designs
- ii. Student Supports
- iii. Information Technologies
- iv. Strategies-Innovations-Performance
- v. Talent Management
- vi. Facilities
- vii. Finance

The Department will be seeking to realign about \$18.7 million in Fiscal Year (FY) 2019-20 and \$21.4 million in FY 2020-21 to meet existing needs, in areas such as:

- Teacher recruitment & retention;
- Substitute teacher funding – Special Education;
- Skilled nursing services;
- Applied behavior analysis;
- Board of Education support; and
- Indexed Complex Area Allocation (ICAA) - safety & security.

**2) Focus on Significant CIP Needs**

This CIP budget area advances the Department's focus on respectful schools for all students. The Department believes that all public school students, regardless of their neighborhood social-economic conditions, and educators that lead, teach and support them, should walk into a public school building every morning that represents excellence in its facilities and reflects 21st century instructional spaces.

**3) Address Title IX in Athletics**

The Department is highly committed to equity in athletics and must continue to invest in equitable access to facilities that support our programs. During this biennial budget process, the Department will be requesting CIP funds necessary to finish its work in providing equity in softball fields and in locker rooms for girls sports, as well as begin to address under-resourced high schools that have neither female nor male facilities.

**4) Target Advancements in Strategic Priority Areas**

The Department is implementing a Board-adopted strategic implementation plan focused on three high leverage strategies: School Design, Student

Voice and Teacher Collaboration. In order to keep advancing our progress in these areas, the Department will seek the support of the Governor and the Legislature for additional funding, which include:

- Increasing early college course access;
- Adding \$3 million to the Weighted Student Formula to advance innovation planning designs per school to support the roll out of new curriculum standards in computer science, Next Generation Science Standards (NGSS) and social studies which call for greater hands on and interdisciplinary learning opportunities; and
- Expanding leadership pipeline development, in alignment with tri-level empowerment framework.

In addition, the Department has operational needs that are under-funded and necessary for day to day operations. These include:

- Air conditioning repair;
- Electrical utilities;
- Maintenance contracts; and
- Workers compensation.

b. Background:

On September 19, 2018, B&F issued Finance Memorandum (FM) No. 18-16 “Fiscal Biennium 2019-21 Executive Budget Request and the Program and Financial Plan for the Period 2019-25” (Attachment E), which included observations on the State’s economy, the Administration’s approach to the biennium budget, and general policies and guidelines.

**FM No. 18-16: Observations on the State’s economy and fiscal condition**

- ✓ “...we remain optimistic about Hawai’i’s economy but recognize that downturns are part of every economic cycle.”
- ✓ “...we must closely monitor general fund tax revenues, as collections for the first two months of FY 19 are less than 1.0% more than last year.”
- ✓ “Other factors, such as providing funding for the State’s unfunded liabilities in the Employees’ Retirement System and the Hawai’i Employer-Union Health Benefits Trust Fund, also weigh heavily.”
- ✓ “Potential reductions to federal grant programs and necessary mitigation efforts must also be considered.”
- ✓ “The State ended FY 18 with a general fund balance of approximately \$750 million. This carryover balance will help to support the increasing costs of State programs.”

**FM No. 18-16: Administration’s approach to the biennium budget**

- ✓ “This Administration has generally approached the budget in a cautious manner, in part because fluctuating general fund revenue growth often did not reflect the State’s economic situation ...”
- ✓ “We highly encourage departments to realign their budgets to best meet their current needs...”
- ✓ “Departments may consider requests which are reasonable and sustainable in cases where realignment cannot address those needs.”

- ✓ “We will continue to pursue initiatives to improve the lives of our families, our children, and our kupuna, including those focused on: Education, which is fundamental to our children and our future. We must provide more support at the school level to ensure suitable learning environments...”

**FM No. 18-16: Budget preparation policies and guidelines**

- ✓ “Under their respective budget ceiling, 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.”
- ✓ “The ceilings are based on each department’s FY 19 appropriations, minus non-recurring costs and plus collective bargaining (except for federal and other federal funds) and other adjustments, as applicable.”

Means of Financing	FY 19 Appropriation	FY 20 CB	FY 21 CB	Non-Recurring <sup>1</sup>	FY 20 BASE	FY 21 BASE
General	1,625,292,884	102,643,968	134,296,259	-2,994,800	1,724,942,052	1,756,594,343
Special	52,301,103	125,631	139,308	0	52,426,734	52,440,411
Federal	260,663,057	0	0	0	260,663,057	260,663,057
Other Fed	9,292,794	0	0	0	9,292,794	9,292,794
Trust	15,900,000	0	0	0	15,900,000	15,900,000
Interdept'l	7,765,636	0	0	0	7,765,636	7,765,636
Private	150,000	0	0	0	150,000	150,000
Revolving	24,083,680	85,411	98,646	0	24,169,091	24,182,326
<b>TOTALS:</b>	<b>1,995,449,154</b>	<b>102,855,010</b>	<b>134,534,213</b>	<b>-2,994,800</b>	<b>2,095,309,364</b>	<b>2,126,988,567</b>

Figures do not include EDN 700, Early Learning (Executive Office on Early Learning)

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

None. However, on September 20, 2018, the Department updated the Finance and Infrastructure Committee on the development of the Department’s FB 2019-2021 budget.

<http://boe.hawaii.gov/Meetings/Notices/Pages/September-20,-2018-Finance-and-Infrastructure-Committee-Meeting-.aspx>

d. 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.

<sup>1</sup> We note that B&F did not consider four items that the Legislature deemed as “non-recurring,” which includes: \$1,500,864 for the Office of Hawaiian Education; \$500,000 for Early College; \$1,500,000 for Equipment for New Facilities; and \$400,000 for Teacher Certification Stipend program. The Legislature may consider these items as “non-recurring” and remove them from the Department’s base budget in FY 20 and FY 21.

e. Arguments in support of the recommendation:

The public schools system depends on State general funds to fund nearly 82% 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.

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

From FY 08-18 general fund tax revenues grew by about 46% (\$4.641 billion to \$6.796 billion).<sup>2</sup> General fund increases to the Department over this same period was about 15% (\$1.40 billion to \$1.610 billion).<sup>3</sup> More recently, the general fund appropriation to the Department increased by only 1.18% from FY 18 to FY 19 (\$1.610 billion to \$1.629 billion).<sup>3</sup> The Council on Revenues' forecast for State tax revenue growth in FY 19 is 5% and for FYs 20-25 is 4.0%/year.<sup>2</sup>

f. Arguments against the recommendation:

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

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

The Department's budget requests 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.

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

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

i. Educational implications:

Various. See Attachments A - D.

<sup>2</sup> Council on Revenues September 7, 2018, report to the Governor of Hawaii

<sup>3</sup> Appropriation Acts 213/07 – 53/2018 (Excluding public libraries and charter schools)

j. Personnel implications:

Various. See Attachments A - D.

k. Facilities implications:

The air conditioning repair, electric utilities, and school facility service and maintenance contracts requests will support the provision of safe and appropriate school facilities.

l. Financial implications:

The recommendation will allow the Department to adjust the budget to the ceiling amounts set forth in FM No. 18-16, and request additional funds for priority areas (Attachments A - D).

5. OTHER SUPPLEMENTARY RECOMMENDATIONS

None.

CMK:stk

Attachment A	Realignment of Existing Funds for 2019-2021 Fiscal Biennium (General Funds)
Attachment B	General Fund Budget Requests for 2019-2021 Fiscal Biennium
Attachment C	Summary of Non-General Fund Ceiling Adjustments for 2019-2021 Fiscal Biennium
Attachment D	Request Totals by EDN for 2019-2021 Fiscal Biennium
Attachment E	Finance Memorandum No. 18-16 "Fiscal Biennium 2019-21 Executive Budget Request and the Program and Financial Plan for the Period 2019-25"
Attachment E1	Correction to FM 18-16 Attachment 1
Attachment F	Committee Action on the Department of Education's Proposed Operating Budget for 2019-2021 Fiscal Biennium
Attachment G	Follow-Up on FY 18 Carryover Amounts

c: Members of the Board of Education

Phyllis Unebasami, Deputy Superintendent  
Camille Masutomi, Chief of Staff to the Superintendent  
Assistant Superintendents  
Complex Area Superintendents  
Internal Audit Office  
OFS Branch Directors  
Budget Branch

**REALIGNMENT OF EXISTING FUNDS FOR 2019-2021 FISCAL BIENNIUM  
(GENERAL FUNDS)**

**ATTACHMENT A**

OFFICE	EDN	PRGM	PROGRAM DESCRIPTION * DENOTES REALIGNMENTS THAT RELATE TO POSITION(S) REQUESTS	SUMMARY	CATEGORY	BASE (ACT 53/2018 - B & F "NON-RECURRING" + CB)	REQUESTED TRANSFER					
							FY 20 PERM	FY 20 TEMP	FY 20 AMT	FY 21 PERM	FY 21 TEMP	FY 21 AMT
OCID	EDN100	16817	EARLY COLLEGE*	ADD ED SPECIALIST FOR EARLY COLLEGE	STRATEGIC PRIORITY - EARLY COLLEGE	1,547,094	-	-	47,094	-	-	94,189
OTM	EDN100	25222	TEACHER RECRUITMENT AND RETENTION	TEACHER LICENSING FEES	RECRUITMENT AND RETENTION	4,109,244	-	-	575,000	-	-	575,000
OTM	EDN100	25222	TEACHER RECRUITMENT AND RETENTION	HARD-TO-STAFF	RECRUITMENT AND RETENTION	SEE ABOVE	-	-	3,200,000	-	-	3,200,000
						<b>TOTAL EDN 100</b>	-	-	<b>3,822,094</b>	-	-	<b>3,869,189</b>
OFS	EDN150	B1005	SUBSTITUTE TEACHERS - SPED	SUBSTITUTE TEACHER COSTS FOR SPED PROGRAMS	BASIC NEED	888,570	-	-	888,570	-	-	1,009,701
OSSS	EDN150	15623	SKILLED NURSING SERVICES	RESOURCES FOR SKILLED NURSING	SPECIAL EDUCATION SVCS	3,525,907	-	-	7,609,684	-	-	7,375,772
OSSS	EDN150	B1003	APPLIED BEHAVIOR ANALYSIS*	ABA STAFFING TO IMPLEMENT ACT 107/SLH 2016 & ACT 205/SLH 2018	SPECIAL EDUCATION SVCS	2,201,819	-	-	4,002,002	-	-	6,492,002
OSSS	EDN150	28050	DISTRICT SPECIAL EDUCATION SVCS*	COMMUNITY OUTREACH AND BUILDING PARTNERSHIPS	SPECIAL EDUCATION SVCS	5,493,129	-	-	131,952	-	-	263,903
						<b>TOTAL EDN 150</b>	-	-	<b>12,632,208</b>	-	-	<b>15,141,378</b>
OCID	EDN200	25023	INSTRUCTIONAL DEVELOPMENT-ADMIN SVCS*	ADMINISTRATIVE ASSISTANT POSITION FOR OCID	BASIC NEED	430,231	-	-	29,723	-	-	59,447
OFS	EDN200	25241	ICAA CI-SYSTEM QUALITY*	RESOURCES FOR SAFETY AND SECURITY	EMERGENCY MANAGEMENT	5,374,380	-	-	1,398,465	-	-	1,398,465
OSSS	EDN200	25230	ELP STANDARDS/ASSESSMENTS IMPLEMENTATION*	ENGLISH LANGUAGE LEARNERS (ELL) PROGRAM 1.0 FTE PERSONNEL OPERATING BUDGET REQUEST	ELL	1,000,962	-	-	44,810	-	-	89,620
OSSS	EDN200	25045	STUDENT SUPPORT SVCS GROUP-ADMIN*	ADMIN SERVICES ASSISTANT POSITION FOR OSSS	BASIC NEED	277,441	-	-	29,723	-	-	59,447
OSSS	EDN200	25237	STUDENT SUPPORT SVCS GROUP-ADMIN	SCHOOL CLIMATE AND STUDENT SAFETY INITIATIVE	EMERGENCY MANAGEMENT	1,602,843	-	-	155,000	-	-	155,000
OSSS	EDN200	25237	STUDENT SUPPORT SVCS GROUP-ADMIN	COLLEGE AND CAREER PATHWAYS	EARLY COLLEGE	SEE ABOVE	-	-	30,000	-	-	30,000
						<b>TOTAL EDN 200</b>	-	-	<b>1,687,721</b>	-	-	<b>1,791,979</b>
OITS	EDN300	33021	ENTERPRISE SYSTEMS	TRADE OFF POSITION - DPSA IV TO DPSA VI	STRATEGIC PRIORITY - TECHNOLOGY	8,720,165	-	-	12,180	-	-	12,180
OITS	EDN300	33021	ENTERPRISE SYSTEMS*	ADDITIONAL POSITIONS TO SUPPORT STUDENT INFORMATION SYSTEMS, DATA MGT, AND WEB DVLPMT	STRATEGIC PRIORITY - TECHNOLOGY	SEE ABOVE	-	-	157,505	-	-	415,180
OITS	EDN300	33057	ENTERPRISE ARCHITECTURE*	ADDITIONAL POSITIONS TO SUPPORT CURRENT AND NEW TECHNOLOGY ARCHITECTURE AND SECURITY	STRATEGIC PRIORITY - TECHNOLOGY	323,178	-	-	90,398	-	-	232,331
OITS	EDN300	33059	SCHOOL TECHNOLOGY SERVICES & SUPPORT	TRADEOFF POSITION	STRATEGIC PRIORITY - TECHNOLOGY	4,335,891	-	-	12,576	-	-	12,576
OITS	EDN300	33059	SCHOOL TECHNOLOGY SERVICES & SUPPORT*	POSITIONS TO SUPPORT CENTRALIZED DEVICE PURCHASING AND SCH-LEVEL APPLICATION ROSTERING	STRATEGIC PRIORITY - TECHNOLOGY	SEE ABOVE	-	-	-	-	-	18,470
OITS	EDN300	33084	INFORMATION & TECHNOLOGY SERVICES	TRANSFER "B" TO "A" FOR VARIOUS OITS POSITIONS	STRATEGIC PRIORITY - TECHNOLOGY	2,233,526	-	-	-377,961	-	-	-1,023,883
OITS	EDN300	33088	SCHOOL PROCESS AND ANALYSIS*	ADDITIONAL POSITIONS TO SUPPORT STUDENT INFORMATION SYSTEMS, TRAINING & BUSINESS ANALYSIS	STRATEGIC PRIORITY - TECHNOLOGY	1,777,610	-	-	130,058	-	-	303,467

**REALIGNMENT OF EXISTING FUNDS FOR 2019-2021 FISCAL BIENNIUM  
(GENERAL FUNDS)**

**ATTACHMENT A**

OFFICE	EDN	PRGM	PROGRAM DESCRIPTION * DENOTES REALIGNMENTS THAT RELATE TO POSITION(S) REQUESTS	SUMMARY	CATEGORY	BASE (ACT 53/2018 - B & F "NON-RECURRING" + CB)	REQUESTED TRANSFER					
							FY 20 PERM	FY 20 TEMP	FY 20 AMT	FY 21 PERM	FY 21 TEMP	FY 21 AMT
OITS	EDN300	33089	ENTERPRISE INFRASTRUCTURE SERVICES*	SUPPORT FOR DEPT'S ACTIVE DIRECTORY, E-RATE, UNIFIED COMMUNICATIONS AND NETWORK MONITORING	STRATEGIC PRIORITY - TECHNOLOGY	5,286,459	-	-	-	-	-	54,435
OS	EDN300	33656	INTERNAL AUDIT	FRAUD & ETHICS VIOLATION PREVENTION (24/7) HOTLINE SYSTEM SERVICES	BASIC NEED	753,840	-	-	10,000	-	-	10,000
OS	EDN300	33005	BOARD OF EDUCATION SUPPORT	NEIGHBOR ISLAND EVENING MEETINGS	INNOVATION	243,764	-	-	7,743	-	-	7,950
OS	EDN300	33005	BOARD OF EDUCATION SUPPORT	CHARTER SCHOOL AUTHORIZER	BASIC NEED	SEE ABOVE	-	-	10,000	-	-	10,000
OS	EDN300	33005	BOARD OF EDUCATION SUPPORT	COMMUNITY AND STAKEHOLDER ENGAGEMENT	INNOVATION	SEE ABOVE	-	-	7,417	-	-	7,639
OS	EDN300	33005	BOARD OF EDUCATION SUPPORT	BOARD GOVERNANCE CAPACITY BUILDING	LEADERSHIP	SEE ABOVE	-	-	32,798	-	-	33,783
OS	EDN300	33017	SUPERINTENDENT SUPPORT*	ADVISORY SERVICES SPECIALIST III	BASIC NEED	290,208	-	-	55,593	-	-	109,186
						<b>TOTAL EDN 300</b>	-	-	<b>148,307</b>	-	-	<b>203,314</b>
OFS	EDN400	35182	HCNP MAINTENANCE OF EFFORT FY 19	INCREASE TO MEET MAINTENANCE OF EFFORT REQUIREMENT	BASIC NEED	280,919	-	-	16,544	-	-	16,544
OSFSS	EDN400	37932	SAFETY, SECURITY & EMERGENCY PREP	OPERATIONS SUPPORT OF SCHOOL INSPECTION AND TRAINING PROGRAMS	EMERGENCY MANAGEMENT	1,074,378	-	-	100,000	-	-	100,000
OSFSS	EDN400	37932	SAFETY, SECURITY & EMERGENCY PREP	SCHOOL SECURITY/ADMINISTRATORS PROFESSIONAL DEVELOPMENT CONFERENCE	EMERGENCY MANAGEMENT	SEE ABOVE	-	-	90,000	-	-	90,000
OSFSS	EDN400	37710	FACILITIES DEVELOPMENT	SUPPORT FOR OFFICE RENTAL SPACE	BASIC NEED	6,077,182	-	-	185,000	-	-	185,000
OSFSS	EDN400	19097	STUDENT TRANSPORTATION	TRADE OFF POSITIONS	BASIC NEED	65,140,967	-	-	35,124	-	-	35,124
						<b>TOTAL EDN 400</b>	-	-	<b>426,668</b>	-	-	<b>426,668</b>
<b>TOTAL REALIGNMENT</b>							-	-	<b>18,716,998</b>	-	-	<b>21,432,528</b>



GENERAL FUND BUDGET REQUESTS FOR 2019-2021 FISCAL BIENNIUM

ATTACHMENT B

OFFICE	EDN	PRGM	PROGRAM DESCRIPTION	SUMMARY	CATEGORY	BASE (ACT 53/2018 - B & F "NON-RECURRING" + CB)	REQUESTED INCREASE					
							FY 20 PERM	FY 20 TEMP	FY 20 AMT	FY 21 PERM	FY 21 TEMP	FY 21 AMT
DEPUTY	EDN100	16807	HAWAIIAN STUDIES	OFFICE OF HAWAIIAN EDUCATION REQUEST FOR 3.0 FTE PERM POSITIONS ONLY	HAWAIIAN EDUCATION	4,031,825	3.00	-	-	3.00	-	-
OCID	EDN100	16817	EARLY COLLEGE	EARLY COLLEGE FUNDING FOR HIGH SCHOOLS	EARLY COLLEGE	1,547,094	-	-	1,500,000	-	-	1,500,000
OCID	EDN100	16817	EARLY COLLEGE	ADD ED SPECIALIST FOR EARLY COLLEGE	EARLY COLLEGE	SEE ABOVE	1.00	-	-	1.00	-	-
OFS	EDN100	42100	WEIGHTED STUDENT FORMULA	ADDITIONAL FUNDS FOR WSF	INNOVATION	956,581,512	-	-	3,000,000	-	-	3,000,000
OFS	EDN100	B1001	SUBSTITUTE TEACHERS	SUBSTITUTE TEACHER COSTS FOR SCHOOLS	BASIC NEED	NONE	-	-	2,500,000	-	-	3,500,000
OFS	EDN100	12512	CUSTODIAL & SUPP SVCS BY FOOD SVC EMPLOYEES	SUMMER CLASSROOM CLEANING	BASIC NEED	550,387	-	-	1,154,233	-	-	1,188,326
OSSS	EDN100	16809	HAWAII KEIKI: HEALTHY & READY TO LEARN	HAWAII KEIKI	STUDENT HEALTH	2,147,282	-	-	752,066	-	-	752,066
OTM	EDN100	23001	WORKERS COMPENSATION	ADDITIONAL WC FUNDS	BASIC NEED	8,523,490	-	-	3,400,000	-	-	3,400,000
						<b>TOTAL EDN 100</b>	<b>4.00</b>	<b>-</b>	<b>12,306,299</b>	<b>4.00</b>	<b>-</b>	<b>13,340,392</b>
OSSS	EDN150	B1003	APPLIED BEHAVIOR ANALYSIS	ABA STAFFING TO IMPLEMENT ACT 107/SLH 2016 & ACT 205/SLH 2018 - POSITIONS	STUDENT HEALTH	2,201,819	166.00	-	-	166.00	-	-
OSSS	EDN150	28050	DISTRICT SPECIAL EDUCATION SERVICES	EDUCATIONAL SPECIALISTS FOR SPECIAL EDUCATION	INNOVATION	5,493,129	3.00	-	-	3.00	-	-
						<b>TOTAL EDN 150</b>	<b>169.00</b>	<b>-</b>	<b>-</b>	<b>169.00</b>	<b>-</b>	<b>-</b>
OCID	EDN200	25023	INSTRUCTIONAL DEVELOPMENT-ADMIN SVCS	ADMINISTRATIVE ASSISTANT POSITION FOR OCID	BASIC NEED	430,231	1.00	-	-	1.00	-	-
OFS	EDN200	25241	ICAA CI-SYSTEM QUALITY	RESOURCES FOR SAFETY AND SECURITY	EMERGENCY MANAGEMENT	5,374,349	15.00	-	-	15.00	-	-
OSSS	EDN200	25230	ELP STANDARDS/ASSESSMENTS IMPLEMENTATION	ENGLISH LANGUAGE LEARNERS (ELL) PROGRAM 1.0 FTE PERSONNEL OPERATING BUDGET REQUEST	ELL	1,000,962	1.00	-	-	1.00	-	-
OSSS	EDN200	25045	STUDENT SUPPORT SERVICES GROUP-ADMIN	ADMINISTRATIVE SERVICES ASSISTANT POSITION FOR OSSS	BASIC NEED	277,441	1.00	-	-	1.00	-	-
OTM	EDN200	25229	LEADERSHIP INSTITUTE	LEADERSHIP DEVELOPMENT AND SUPPORT	LEADERSHIP	150,618	3.00	-	350,896	3.00	-	444,832
OTM	EDN200	25234	PROFESSIONAL DEVELOP & EDUC RESEARCH INSTITUTE	LEADERSHIP DEVELOPMENT STABILITY REQUEST	LEADERSHIP	4,098,698	3.00	-	911,486	3.00	-	1,041,560
						<b>TOTAL EDN 200</b>	<b>24.00</b>	<b>-</b>	<b>1,262,382</b>	<b>24.00</b>	<b>-</b>	<b>1,486,392</b>
OFS	EDN300	33010	BUSINESS OPERATIONS	PAYROLL SYSTEM SUPPORT STAFF	BASIC NEED	3,955,868	4.00	4.00	158,757	4.00	4.00	317,513
OITS	EDN300	33057	ENTERPRISE ARCHITECTURE	ADDITIONAL POSITIONS TO SUPPORT CURRENT AND NEW TECHNOLOGY ARCHITECTURE AND SECURITY	STRATEGIC PRIORITY - TECHNOLOGY	323,178	1.00	-	-	4.00	-	-
OITS	EDN300	33059	SCHOOL TECHNOLOGY SERVICES & SUPPORT	POSITIONS TO SUPPORT CENTRALIZED DEVICE PURCHASING AND SCH-LEVEL APPLICATION ROSTERING	STRATEGIC PRIORITY - TECHNOLOGY	4,335,891	-	-	-	1.00	-	-
OITS	EDN300	33059	SCHOOL TECHNOLOGY SERVICES & SUPPORT	CONVERSION OF DP USER SUPPORT TECH FROM TEMP TO PERM IN SUPPORT OF THE DEPT'S HELP DESK	STRATEGIC PRIORITY - TECHNOLOGY	SEE ABOVE	1.00	-1.00	-	1.00	-1.00	-
OITS	EDN300	33089	ENTERPRISE INFRASTRUCTURE SERVICES	SUPPORT FOR DEPT'S ACTIVE DIRECTORY, E-RATE, UNIFIED COMMUNICATIONS AND NETWORK MONITORING	STRATEGIC PRIORITY - TECHNOLOGY	5,286,459	-	-	-	2.00	-	-
OITS	EDN300	33089	ENTERPRISE INFRASTRUCTURE SERVICES	CONVERT POSITION FROM TEMP TO PERM TO SUPPORT TECH INFRASTRUCTURE AT SCHOOLS & OFFICES	STRATEGIC PRIORITY - TECHNOLOGY	SEE ABOVE	1.00	-1.00	-	1.00	-1.00	-
OITS	EDN300	33021	ENTERPRISE SYSTEMS	ADDITIONAL POSITIONS TO SUPPORT STUDENT INFORMATION SYSTEMS, DATA MGT, AND WEB DVLP MNT	STRATEGIC PRIORITY - TECHNOLOGY	8,720,165	6.00	-	-	10.00	-	-

GENERAL FUND BUDGET REQUESTS FOR 2019-2021 FISCAL BIENNIUM

ATTACHMENT B

OFFICE	EDN	PRGM	PROGRAM DESCRIPTION	SUMMARY	CATEGORY	BASE (ACT 53/2018 - B & F "NON-RECURRING" + CB)	REQUESTED INCREASE					
							FY 20 PERM	FY 20 TEMP	FY 20 AMT	FY 21 PERM	FY 21 TEMP	FY 21 AMT
OITS	EDN300	33088	SCHOOL PROCESS AND ANALYSIS	ADDITIONAL POSITIONS TO SUPPORT STUDENT INFORMATION SYSTEMS, TRAINING & BUSINESS ANALYSIS	STRATEGIC PRIORITY - TECHNOLOGY	1,777,610	3.00	-	-	4.00	-	-
OS	EDN300	33656	INTERNAL AUDIT	SUBJECT MATTER EXPERTISE FOR AUDITING OF HIGH RISK AREAS IN AUDIT PLAN	BASIC NEED	753,840	-	-	75,000	-	-	75,000
OS	EDN300	33005	BOARD OF EDUCATION SUPPORT	MAINTAIN CURRENT OPERATIONS	BASIC NEED	243,764	1.00	-	24,318	1.00	-	48,635
OS	EDN300	33005	BOARD OF EDUCATION SUPPORT	BOE ANALYST II	BASIC NEED	SEE ABOVE	1.00	-	45,199	1.00	-	90,398
OSIP	EDN300	33012	DATA GOVERNANCE	ESTABLISH SUSTAINABILITY FOR DATA GOVERNANCE AND ANALYSIS BRANCH	BASIC NEED	220,002	19.00	-	1,036,098	19.00	-	1,797,196
OSIP	EDN300	33063	COMMUNITY ENGAGEMENT	EO POSITION FOR COMMERCIALISM, SERVICE MARKS, CONTRACTS	INNOVATION	359,680	1.00	-	45,199	1.00	-	90,398
OSIP	EDN300	33063	COMMUNITY ENGAGEMENT	REQUEST FOR COMMUNITY RELATIONS PROGRAM ASSISTANT POSITION	INNOVATION	SEE ABOVE	1.00	-	22,021	1.00	-	44,042
OSIP	EDN300	33072	STRATEGY, INNOVATION & PERFORMANCE	STRATEGIC INITIATIVES MANAGER	INNOVATION	261,996	1.00	-	53,223	1.00	-	104,444
OTM	EDN300	33039	LABOR REL, NEGOTIATIONS & INVESTIGATIONS	PERSONNEL SPECIALIST-INVESTIGATOR POSITIONS FOR THE INVESTIGATIONS SECTION	BASIC NEED	215,504	3.00	-	135,597	3.00	-	271,194
OTM	EDN300	33292	PERSONNEL DEVELOPMENT	ADD PERSONNEL MANAGEMENT SPECIALIST TO TRAINING & DEVELOPMENT SECTION	LEADERSHIP	3,474,283	1.00	-	24,318	1.00	-	48,635
OTM	EDN300	33722	PERSONNEL MANAGEMENT	REQUEST FOR RECRUITMENT SUPPORT	RECRUITMENT AND RETENTION	1,952,309	1.00	-	17,080	1.00	-	34,161
OTM	EDN300	33722	PERSONNEL MANAGEMENT	TEMP OFFICE ASSISTANT TO PROVIDE RECEPTIONIST COVERAGE FOR FOYER AREA AT DOLE CANNERY SITE	BASIC NEED	SEE ABOVE	-	1.00	0	-	1.00	-
OTM	EDN300	33722	PERSONNEL MANAGEMENT	FUNDING FOR RECRUITMENT	RECRUITMENT AND RETENTION	SEE ABOVE	-	-	100,000	-	-	100,000
						<b>TOTAL EDN 300</b>	<b>45.00</b>	<b>3.00</b>	<b>1,736,810</b>	<b>56.00</b>	<b>3.00</b>	<b>3,021,616</b>
OSFSS	EDN400	37712	AUXILIARY SERVICES	SUPPORT FOR SCHOOL FACILITY SERVICE AND MAINTENANCE CONTRACTS	BASIC NEED	18,217,407	-	-	6,000,000	-	-	6,000,000
OSFSS	EDN400	37711	FACILITIES MAINTENANCE	AIR CONDITIONING REPAIR	BASIC NEED	19,645,971	-	-	1,000,000	-	-	1,000,000
OSFSS	EDN400	35161	FOOD SERVICE ADMINISTRATION	TWO DIETITIANS AND ONE PURCHASE & SUPPLY SPECIALIST FOR THE SCHOOL FOOD SERVICES BRANCH	EMERGENCY MANAGEMENT	547,198	3.00	-	83,164	3.00	-	166,329
OSFSS	EDN400	37720	UTILITIES	ELECTRIC UTILITIES ENERGY COST ADJUSTMENT CHARGES	BASIC NEED	56,244,136	-	-	6,300,000	-	-	6,300,000
						<b>TOTAL EDN 400</b>	<b>3.00</b>	<b>-</b>	<b>13,383,164</b>	<b>3.00</b>	<b>-</b>	<b>13,466,329</b>
<b>TOTAL GENERAL FUND REQUEST</b>							<b>245.00</b>	<b>3.00</b>	<b>28,688,655</b>	<b>256.00</b>	<b>3.00</b>	<b>31,314,729</b>

**SUMMARY OF NON-GENERAL FUND CEILING ADJUSTMENTS FOR 2019-2021 FISCAL BIENNIUM**

**ATTACHMENT C**

OFFICE	EDN	MOF	PRGM ID	PROGRAM DESCRIPTION	SUMMARY	BASE (ACT 53/2018 - B & F "NON-RECURRING" + CB)	TOTAL PROPOSED ADJUSTMENTS					
							FY 20 PERM	FY 20 TEMP	FY 20 AMT	FY 21 PERM	FY 21 TEMP	FY 21 AMT
OCID	EDN500	SPECIAL	B1000	PRVT TRADE, VOC, AND TECH SCH LIC SPEC FUND	ADD APPROPRIATION CEILING FOR ACT 164/SLH 2017 TO FORMALIZE INTO BUDGET	NONE	1.00	-	100,000	1.00	-	100,000
OSFSS	EDN400	SPECIAL	37307	USE OF SCHOOL FACILITIES - SCHOOL	INCREASE CEILING TO BETTER REFLECT REVENUES AND POTENTIAL EXPENDITURES	2,000,000	-	-	1,000,000	-	-	1,000,000
OTM	EDN150	SPECIAL	46428	TALENT MANAGEMENT STIPEND PRG- ACT 276/07	INCREASE CEILING SO THAT THE BALANCE OF FUNDS CAN BE EXPENDED AND ADDITIONAL STIPENDS AND STIPEND PROGRAMS CAN BE MADE AVAILABLE	100,000	-	-	150,000	-	-	150,000
<b>TOTAL MOF B</b>							<b>1.00</b>	<b>-</b>	<b>1,250,000</b>	<b>1.00</b>	<b>-</b>	<b>1,250,000</b>
OCID	EDN100	FEDERAL	16159	ESSA MATH & SCIENCE PARTNERSHIP FY 17	DELETE ESSA MATH & SCIENCE PARTNERSHIP FY 17 APPROPRIATION CEILING AS GRANT ENDS 9/30/18	500,000	-	-	-500,000	-	-	-500,000
OFS	EDN100	FEDERAL	19978	IMPACT AID-WSF	REDUCE EXCESS FEDERAL FUND CEILING FOR THE IMPACT AID PROGRAM	10,000,000	-	-	-10,000,000	-	-	-10,000,000
OSIP	EDN100	FEDERAL	18050	ESSA 21ST CCLC FORMULA	INCREASE EXPENDITURE CEILING TO MATCH ESSA 21ST CCLC GRANT AWARD	5,500,000	-	-	500,000	-	-	500,000
<b>TOTAL MOF N</b>							<b>-</b>	<b>-</b>	<b>-10,000,000</b>	<b>-</b>	<b>-</b>	<b>-10,000,000</b>
OCID	EDN100	OTHER FEDERAL	B1002	CDC SCHOOL-BASED SURVEILLANCE	ADD THE CDC SCHOOL BASED SURVEILLANCE GRANT FOR PROMOTING ADOLESCENT HEALTH THROUGH SCHOOL-BASED SURVEILLANCE BY USING THE YOUTH RISK BEHAVIOR SURVEY (YRBS) AND SCHOOL HEALTH PROFILES SURVEY (PROFILES)	NONE	-	-	99,999	-	-	99,999
OFS	EDN100	OTHER FEDERAL	52046	EDUCATION OF NATIVE HAWAIIANS	REDUCE FEDERAL FUND CEILING FOR GRANT PROGRAM	439,000	-	-	-439,000	-	-	-439,000
OFS	EDN100	OTHER FEDERAL	B1004	NATIVE HAWAIIAN EDUCATION ACT PROGRAM	NEW FEDERAL GRANT "KE ALA NA'AUAO - A PATH TO BRILLIANCE" TO INCLUDE IN BUDGET. GOALS FOR THIS PROJECT INCLUDE SUPPORTING THE WIDESPREAD USE OF INNOVATIVE INSTRUCTIONAL PRACTICES BY TRAINING TEACHERS TO PLAN AND IMPLEMENT PROJECT-BASED LEARNING ACTIVITIES	NONE	-	-	600,000	-	-	600,000
<b>TOTAL MOF P</b>							<b>-</b>	<b>-</b>	<b>260,999</b>	<b>-</b>	<b>-</b>	<b>260,999</b>
OFS	EDN100	TRUST	91008	OFFICE OF HAWAIIAN AFFAIRS	REDUCE EXPENDITURE CEILING TO BETTER REFLECT AVAILABLE REVENUES AND POTENTIAL EXPENDITURES	600,000	-	-	-250,000	-	-	-250,000
<b>TOTAL MOF T</b>							<b>-</b>	<b>-</b>	<b>-250,000</b>	<b>-</b>	<b>-</b>	<b>-250,000</b>
OCID	EDN200	INTERDEPARTMENTAL TRANSFER	25322	ARTS IN PUBLIC PLACES	INTERDEPARTMENTAL TRANSFER FUND NOT NEEDED AS CONTRACT WITH THE STATE FOUNDATION ON CULTURE AND THE ARTS (SCFA) AND THE DOE WILL NOT CONTINUE	270,031	-	-	-270,031	-	-	-270,031
<b>TOTAL MOF U</b>							<b>-</b>	<b>-</b>	<b>-270,031</b>	<b>-</b>	<b>-</b>	<b>-270,031</b>
OSSS	EDN150	REVOLVING	18453	FEDERAL REVENUE MAXIMIZATION REVOLVING FUND	PROGRAM TO INCREASE MEDICAID CLAIMING REIMBURSEMENT TO THE DEPARTMENT		2.00	-	-	2.00	-	-
OSFSS	EDN400	REVOLVING	90052	FACILITY DEV ASSESSMENT OPERATING ACCT	INCREASE THE REVOLVING FUND CEILING FOR THE FACILITY DEVELOPMENT ASSESSMENT OPERATING ACCOUNT TO BETTER REFLECT REVENUES AND POTENTIAL EXPENDITURES	3,000,000	-	-	1,500,000	-	-	1,500,000
<b>TOTAL MOF W</b>							<b>2.00</b>	<b>-</b>	<b>1,500,000</b>	<b>2.00</b>	<b>-</b>	<b>1,500,000</b>

TOTAL NON-GENERAL FUND ADJ	FY 20 PERM	FY 20 TEMP	FY 20 AMT	FY 21 PERM	FY 21 TEMP	FY 21 AMT
B - SPECIAL	1.00	-	1,250,000	1.00	-	1,250,000
N - FEDERAL	0.00	-	-10,000,000	0.00	-	-10,000,000
P - OTHER FEDERAL	0.00	-	260,999	0.00	-	260,999
T - TRUST	0.00	-	-250,000	0.00	-	-250,000
U - INTERDEPARTMENTAL TRANSFER	0.00	-	-270,031	0.00	-	-270,031
W - REVOLVING	2.00	-	1,500,000	2.00	-	1,500,000
<b>GRAND TOTAL:</b>	<b>3.00</b>	<b>-</b>	<b>-7,509,032</b>	<b>3.00</b>	<b>-</b>	<b>-7,509,032</b>

REQUEST TOTALS BY EDN FOR 2019-2021 FISCAL BIENNIUM

ATTACHMENT D

OFFICE	EDN	MEANS OF FINANCING	PRGM	PROGRAM DESCRIPTION	SUMMARY	BASE (ACT 53/2018 - B & F "NON-RECURRING" + CB)	REQUESTED INCREASE					
							FY 20 PERM	FY 20 TEMP	FY 20 AMT	FY 21 PERM	FY 21 TEMP	FY 21 AMT
DEPUTY	EDN100	GENERAL	16807	HAWAIIAN STUDIES	OFFICE OF HAWAIIAN EDUCATION REQUEST FOR 3.0 FTE PERM POSITIONS ONLY	4,031,825	3.00	-	-	3.00	-	-
OCID	EDN100	GENERAL	16817	EARLY COLLEGE	EARLY COLLEGE FUNDING FOR HIGH SCHOOLS	1,547,094	-	-	1,500,000	-	-	1,500,000
OCID	EDN100	GENERAL	16817	EARLY COLLEGE	ADD ED SPECIALIST FOR EARLY COLLEGE	SEE ABOVE	1.00	-	-	1.00	-	-
OCID	EDN100	FEDERAL	16159	ESSA MATH & SCIENCE PARTNERSHIP FY 17	DELETE ESSA MATH & SCIENCE PARTNERSHIP FY 17 APPROPRIATION CEILING AS GRANT ENDS 9/30/18	500,000	-	-	-500,000	-	-	-500,000
OCID	EDN100	OTHER FEDERAL	B1002	CDC SCHOOL-BASED SURVEILLANCE	ADD THE CDC SCHOOL BASED SURVEILLANCE GRANT FOR PROMOTING ADOLESCENT HEALTH THROUGH SCHOOL BASED SURVEILLANCE BY USING THE YOUTH RISK BEHAVIOR SURVEY (YRBS) AND SCHOOL HEALTH PROFILES SURVEY (PROFILES)	NONE	-	-	99,999	-	-	99,999
OFS	EDN100	GENERAL	42100	WEIGHTED STUDENT FORMULA	ADDITIONAL FUNDS FOR WSF (42100)	956,581,512	-	-	3,000,000	-	-	3,000,000
OFS	EDN100	GENERAL	B1001	SUBSTITUTE TEACHERS	SUBSTITUTE TEACHER COSTS FOR SCHOOLS	NONE	-	-	2,500,000	-	-	3,500,000
OFS	EDN100	GENERAL	12512	CUSTODIAL & SUPP SVCS BY FOOD SVC EMPLOY	SUMMER CLASSROOM CLEANING	550,387	-	-	1,154,233	-	-	1,188,326
OFS	EDN100	FEDERAL	19978	IMPACT AID-WSF	REDUCE EXCESS FEDERAL FUND CEILING FOR THE IMPACT AID PROGRAM	10,000,000	-	-	-10,000,000	-	-	-10,000,000
OFS	EDN100	OTHER FEDERAL	52046	EDUCATION OF NATIVE HAWAIIANS	REDUCE FEDERAL FUND CEILING FOR GRANT PROGRAM	439,000	-	-	-439,000	-	-	-439,000
OFS	EDN100	OTHER FEDERAL	B1004	NATIVE HAWAIIAN EDUCATION ACT PROGRAM	NEW FEDERAL GRANT "KE ALA NA`AUAO - A PATH TO BRILLIANCE"	NONE	-	-	600,000	-	-	600,000
OFS	EDN100	TRUST	91008	OFFICE OF HAWAIIAN AFFAIRS	REDUCE EXPENDITURE CEILING TO BETTER REFLECT AVAILABLE REVENUES AND POTENTIAL EXPENDITURES	600,000	-	-	-250,000	-	-	-250,000
OSIP	EDN100	FEDERAL	18050	ESSA 21ST CCLC FORMULA	INCREASE EXPENDITURE CEILING TO MATCH ESSA 21ST CCLC GRANT AWARD	5,500,000	-	-	500,000	-	-	500,000
OSSS	EDN100	GENERAL	16809	HAWAII KEIKI: HEALTHY & READY TO LEARN	HAWAII KEIKI	2,147,282	-	-	752,066	-	-	752,066
OTM	EDN100	GENERAL	23001	WORKERS COMPENSATION	ADDITIONAL WC FUNDS	8,523,490	-	-	3,400,000	-	-	3,400,000
						<b>TOTAL EDN 100</b>	<b>4.00</b>	<b>-</b>	<b>2,317,298</b>	<b>4.00</b>	<b>-</b>	<b>3,351,391</b>
OSSS	EDN150	GENERAL	B1003	APPLIED BEHAVIOR ANALYSIS	ABA STAFFING TO IMPLEMENT ACT 107/SLH 2016 & ACT 205/SLH 2018 - POSITIONS	2,201,819	166.00	-	-	166.00	-	-
OSSS	EDN150	REVOLVING	18453	FEDERAL REVENUE MAXIMIZATION REVOLVING FUND	PROGRAM TO INCREASE MEDICAID CLAIMING REIMBURSEMENT TO THE DEPARTMENT	3,534,956	2.00	-	-	2.00	-	-
OSSS	EDN150	GENERAL	28050	DISTRICT SPECIAL EDUCATION SERVICES	COMMUNITY OUTREACH AND BUILDING PARTNERSHIPS	5,493,129	3.00	-	-	3.00	-	-
OTM	EDN150	SPECIAL	46428	TALENT MANAGEMENT STIPEND PRG-ACT 276/07	RAISE THE NON-GENERAL FUND CEILING OF THIS ACCOUNT TO \$250,000 SO THAT THE BALANCE OF FUNDS CAN BE EXPENDED AND ADDITIONAL STIPENDS AND STIPEND PROGRAMS CAN BE MADE AVAILABLE	100,000	-	-	150,000	-	-	150,000
						<b>TOTAL EDN 150</b>	<b>171.00</b>	<b>-</b>	<b>150,000</b>	<b>171.00</b>	<b>-</b>	<b>150,000</b>
OCID	EDN200	GENERAL	25023	INSTRUCTIONAL DEVELOPMENT-ADMIN SVCS	ADMINISTRATIVE ASSISTANT POSITION FOR OCID	430,231	1.00	-	-	1.00	-	-
OCID	EDN200	INTER-DEPARTMENTAL TRANSFER	25322	ARTS IN PUBLIC PLACES	U-FUND NOT NEEDED AS CONTRACT WITH THE STATE FOUNDATION ON CULTURE AND THE ARTS (SCFA) AND THE DOE WILL NOT CONTINUE	270,031	-	-	-270,031	-	-	-270,031

REQUEST TOTALS BY EDN FOR 2019-2021 FISCAL BIENNIUM

ATTACHMENT D

OFFICE	EDN	MEANS OF FINANCING	PRGM	PROGRAM DESCRIPTION	SUMMARY	BASE (ACT 53/2018 - B & F "NON-RECURRING" + CB)	REQUESTED INCREASE					
							FY 20 PERM	FY 20 TEMP	FY 20 AMT	FY 21 PERM	FY 21 TEMP	FY 21 AMT
OFS	EDN200	GENERAL	25241	ICAA CI-SYSTEM QUALITY	RESOURCES FOR SAFETY AND SECURITY	5,374,380	15.00	-	-	15.00	-	-
OSSS	EDN200	GENERAL	25230	ELP STANDARDS/ASSESSMENTS IMPLEMENTATION	ENGLISH LANGUAGE LEARNERS (ELL) PROGRAM 1.0 FTE PERSONNEL OPERATING BUDGET REQUEST	1,000,962	1.00	-	-	1.00	-	-
OSSS	EDN200	GENERAL	25045	STUDENT SUPPORT SERVICES GROUP-ADMIN	ADMINISTRATIVE SERVICES ASSISTANT POSITION FOR OSSS	277,441	1.00	-	-	1.00	-	-
OTM	EDN200	GENERAL	25229	LEADERSHIP INSTITUTE	LEADERSHIP DEVELOPMENT AND SUPPORT	150,618	3.00	-	350,896	3.00	-	444,832
OTM	EDN200	GENERAL	25234	PROFESSIONAL DEVELOP & EDUC RESEARCH INSTITUTE	LEADERSHIP DEVELOPMENT STABILITY REQUEST	4,098,698	3.00	-	911,486	3.00	-	1,041,560
						<b>TOTAL EDN 200</b>	<b>24.00</b>	<b>-</b>	<b>992,351</b>	<b>24.00</b>	<b>-</b>	<b>1,216,361</b>
OFS	EDN300	GENERAL	33010	BUSINESS OPERATIONS	PAYROLL SYSTEM SUPPORT STAFF	3,955,868	4.00	4.00	158,757	4.00	4.00	317,513
OITS	EDN300	GENERAL	33057	ENTERPRISE ARCHITECTURE	ADDITIONAL POSITIONS TO SUPPORT CURRENT AND NEW TECHNOLOGY ARCHITECTURE AND SECURITY	323,178	1.00	-	-	4.00	-	-
OITS	EDN300	GENERAL	33059	SCHOOL TECHNOLOGY SERVICES & SUPPORT	POSITIONS TO SUPPORT CENTRALIZED DEVICE PURCHASING AND SCH-LEVEL APPLICATION ROSTERING	4,335,891	-	-	-	1.00	-	-
OITS	EDN300	GENERAL	33059	SCHOOL TECHNOLOGY SERVICES & SUPPORT	CONVERSION OF DP USER SUPPORT TECH FROM TEMP TO PERM IN SUPPORT OF THE DEPT'S HELP DESK	SEE ABOVE	1.00	-1.00	-	1.00	-1.00	-
OITS	EDN300	GENERAL	33089	ENTERPRISE INFRASTRUCTURE SERVICES	SUPPORT FOR DEPT'S ACTIVE DIRECTORY, E-RATE, UNIFIED COMMUNICATIONS AND NETWORK MONITORING	5,286,459	-	-	-	2.00	-	-
OITS	EDN300	GENERAL	33089	ENTERPRISE INFRASTRUCTURE SERVICES	CONVERT POSITION FROM TEMP TO PERM TO SUPPORT TECH INFRASTRUCTURE AT SCHOOLS & OFFICES	SEE ABOVE	1.00	-1.00	-	1.00	-1.00	-
OITS	EDN300	GENERAL	33021	ENTERPRISE SYSTEMS	ADDITIONAL POSITIONS TO SUPPORT STUDENT INFORMATION SYSTEMS, DATA MGT, AND WEB DEVELOPMENT	8,720,165	6.00	-	-	10.00	-	-
OITS	EDN300	GENERAL	33088	SCHOOL PROCESS AND ANALYSIS	ADDITIONAL POSITIONS TO SUPPORT STUDENT INFORMATION SYSTEMS, TRAINING & BUSINESS ANALYSIS	1,777,610	3.00	-	-	4.00	-	-
OS	EDN300	GENERAL	33656	INTERNAL AUDIT	SUBJECT MATTER EXPERTISE FOR AUDITING OF HIGH RISK AREAS IN AUDIT PLAN	753,840	-	-	75,000	-	-	75,000
OS	EDN300	GENERAL	33005	BOARD OF EDUCATION SUPPORT	MAINTAIN CURRENT OPERATIONS	243,764	1.00	-	24,318	1.00	-	48,635
OS	EDN300	GENERAL	33005	BOARD OF EDUCATION SUPPORT	BOE ANALYST II	SEE ABOVE	1.00	-	45,199	1.00	-	90,398
OSIP	EDN300	GENERAL	33012	DATA GOVERNANCE	ESTABLISH SUSTAINABILITY FOR DATA GOVERNANCE AND ANALYSIS BRANCH	220,002	19.00	-	1,036,098	19.00	-	1,797,196
OSIP	EDN300	GENERAL	33063	COMMUNITY ENGAGEMENT	EO POSITION FOR COMMERCIALISM, SERVICE MARKS, CONTRACTS	359,680	1.00	-	45,199	1.00	-	90,398
OSIP	EDN300	GENERAL	33063	COMMUNITY ENGAGEMENT	REQUEST FOR COMMUNITY RELATIONS PROGRAM ASSISTANT POSITION	SEE ABOVE	1.00	-	22,021	1.00	-	44,042
OSIP	EDN300	GENERAL	33072	STRATEGY, INNOVATION & PERFORMANCE	STRATEGIC INITIATIVES MANAGER	261,996	1.00	-	53,223	1.00	-	104,444
OTM	EDN300	GENERAL	33039	LABOR REL, NEGOTIATIONS & INVESTIGATIONS	PERSONNEL SPECIALIST-INVESTIGATOR POSITIONS FOR THE INVESTIGATIONS SECTION	1,126,069	3.00	-	135,597	3.00	-	271,194
OTM	EDN300	GENERAL	33292	PERSONNEL DEVELOPMENT	ADD PERSONNEL MANAGEMENT SPECIALIST TO TRAINING & DEVELOPMENT SECTION	3,474,283	1.00	-	24,318	1.00	-	48,635

REQUEST TOTALS BY EDN FOR 2019-2021 FISCAL BIENNIUM

ATTACHMENT D

OFFICE	EDN	MEANS OF FINANCING	PRGM	PROGRAM DESCRIPTION	SUMMARY	BASE (ACT 53/2018 - B & F "NON-RECURRING" + CB)	REQUESTED INCREASE					
							FY 20 PERM	FY 20 TEMP	FY 20 AMT	FY 21 PERM	FY 21 TEMP	FY 21 AMT
OTM	EDN300	GENERAL	33722	PERSONNEL MANAGEMENT	REQUEST FOR RECRUITMENT SUPPORT	5,798,254	1.00	-	17,080	1.00	-	34,161
OTM	EDN300	GENERAL	33722	PERSONNEL MANAGEMENT	TEMP OFFICE ASSISTANT TO PROVIDE RECEPTIONIST COVERAGE FOR FOYER AREA AT DOLE CANNERY SITE	SEE ABOVE	-	1.00	-	-	1.00	-
OTM	EDN300	GENERAL	33722	PERSONNEL MANAGEMENT	FUNDING FOR RECRUITMENT - PLACEHOLDER	SEE ABOVE	-	-	100,000	-	-	100,000
						<b>TOTAL EDN 300</b>	<b>45.00</b>	<b>3.00</b>	<b>1,736,810</b>	<b>56.00</b>	<b>3.00</b>	<b>3,021,616</b>
OSFSS	EDN400	GENERAL	37712	AUXILIARY SERVICES	SUPPORT FOR SCHOOL FACILITY SERVICE AND MAINTENANCE CONTRACTS	18,217,407	-	-	6,000,000	-	-	6,000,000
OSFSS	EDN400	GENERAL	37711	FACILITIES MAINTENANCE	AIR CONDITIONING REPAIR	19,645,971	-	-	1,000,000	-	-	1,000,000
OSFSS	EDN400	GENERAL	35161	FOOD SERVICE ADMINISTRATION	TWO DIETITIANS AND ONE PURCHASE & SUPPLY SPECIALIST FOR THE SCHOOL FOOD SERVICES BRANCH	547,198	3.00	-	83,164	3.00	-	166,329
OSFSS	EDN400	GENERAL	37720	UTILITIES	ELECTRIC UTILITIES ENERGY COST ADJUSTMENT CHARGES	56,244,136	-	-	6,300,000	-	-	6,300,000
OSFSS	EDN400	SPECIAL	37307	USE OF SCHOOL FACILITIES - SCHOOL	INCREASE CEILING BY \$1,000,000 TO CARRY OUT PURPOSE OF FUND	2,000,000	-	-	1,000,000	-	-	1,000,000
OSFSS	EDN400	REVOLVING	90052	FACILITY DEV ASSESSMENT OPERATING ACCT	INCREASE THE REVOLVING FUND CEILING FOR THE FACILITY DEVELOPMENT ASSESSMENT OPERATING ACCOUNT	3,000,000	-	-	1,500,000	-	-	1,500,000
						<b>TOTAL EDN 400</b>	<b>3.00</b>	<b>-</b>	<b>15,883,164</b>	<b>3.00</b>	<b>-</b>	<b>15,966,329</b>
OCID	EDN500	SPECIAL	B1000	PRVT TRADE, VOC, AND TECH SCH LIC SPEC FUND	ADD APPROPRIATION CEILING FOR ACT 164/SLH 2017 TO FORMALIZE INTO BUDGET	NONE	1.00	-	100,000	1.00	-	100,000
						<b>TOTAL EDN 500</b>	<b>1.00</b>	<b>-</b>	<b>100,000</b>	<b>1.00</b>	<b>-</b>	<b>100,000</b>

**TOTAL REQUESTS**      **248.00**      **3.00**      **21,179,623**      **259.00**      **3.00**      **23,805,697**

<b>TOTAL GENERAL FUND REQUEST (ATTACH B)</b>	245.00	3.00	28,688,655	256.00	3.00	31,314,729
<b>TOTAL NON-GENERAL FUND REQUEST (ATTACH C)</b>	3.00	-	-7,509,032	3.00	-	-7,509,032
	<b>248.00</b>	<b>3.00</b>	<b>21,179,623</b>	<b>259.00</b>	<b>3.00</b>	<b>23,805,697</b>



STATE OF HAWAII  
DEPARTMENT OF BUDGET AND FINANCE  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

September 19, 2018

FINANCE MEMORANDUM

MEMO NO. 18-16

TO: All Department Heads

FROM: Laurel A. Johnston   
for Director of Finance

SUBJECT: Fiscal Biennium 2019-21 Executive Budget Request and the Program and Financial Plan for the Period 2019-25

The following policies and guidelines shall be used in preparing the Executive Budget Request for FB 2019-21 and the Program and Financial Plan for the period 2019-25.

General Background

Hawai'i's economic expansion is in its ninth year. The tourism industry, a significant factor in Hawai'i's economy, has continued to surprise us. Having experienced only one quarter of negative growth since the third quarter of 2009, this consistent growth has often been at record levels.

Through July 2018, year-to-date visitor spending of \$10.92 billion reflects an increase of 9.8% compared to the same period last year, while average daily spending by visitors rose by 2.7%. Visitor arrivals were also up by 7.7% versus the same period in 2017. While capacity and infrastructure issues remain, continued growth of the industry is still projected.

Job numbers in the construction industry have been up and down for years. Current activity in the construction sector has flattened, though at a higher level, but the number of building permits has increased. Hence, these and other planned projects should sustain the industry at the current level going forward.

Hawai'i's preliminary seasonally adjusted unemployment rate remains at historically low levels, ranging from 2.0% to 2.1% since October 2017. However, low unemployment levels may also indicate "full employment" and potential manpower limitations which may constrain further growth.

While the State's economy is geared toward expansion, there is significant pressure on the labor market and infrastructure to keep pace. Thus, we remain optimistic about Hawai'i's economy but recognize that downturns are part of every economic cycle. It is our responsibility to ensure that the State is prepared.

Our experiences with the recent disasters such as the flooding on Kaua'i and O'ahu and the ongoing eruption on the island of Hawai'i and, most recently, Hurricanes Lane and Olivia, serve as timely reminders of how quickly things can change. While those directly impacted may still be feeling the effects, the statewide economic impact is not expected to be long term.

We are fortunate but, nevertheless, vulnerable in the middle of the Pacific. We must look beyond our State and keep a watchful eye on national and international actions which may impact our economy, such as possible trade wars and increased tensions in the Middle East.

This Administration has generally approached the budget in a cautious manner, in part because fluctuating general fund revenue growth often did not reflect the State's economic situation and the expansion of the economy. Again, we must closely monitor general fund tax revenues, as collections for the first two months of FY 19 are less than 1.0% more than last year.

Other factors, such as providing funding for the State's unfunded liabilities in the Employees' Retirement System and the Hawai'i Employer-Union Health Benefits Trust Fund, also weigh heavily. We understand the significant commitment to address these liabilities in the years to come and must ensure that we are able to provide the funding to address these liabilities. As we construct the budget for the next biennium, we must keep in mind our continued concern regarding State expenditures outpacing revenues until FY 21.

Potential reductions to federal grant programs and necessary mitigation efforts must also be considered. The State must be prepared to provide additional funds to support the continuation of programs which it deems critical. Beyond the costs to transition federal programs to State funding, we must consider the economic impact of the reduced amount of federal funds being spent.

Collective bargaining (CB) negotiations for all of the bargaining units (BU) for FB 2019-21 are also underway. These factors reinforce the continual need to be fiscally prudent and responsible with our expenditures to ensure the State's fiscal stability in FY 20 and beyond.

Therefore, we will continue a cautious approach in developing the FB 2019-21 Executive Budget. All budget requests must be sustainable and reasonable.

### **The State's Fiscal Condition**

Preliminary actual general fund tax revenue growth for FY 18 was 7.6%, 0.3% higher than projected by the Council on Revenues (COR). Even with a higher base for FY 18,



the COR maintained its general fund tax revenue growth rate forecast at its September 6, 2018 meeting due to the expected continued growth of the tourism sector and uptick in construction activity. Currently, the COR projects general fund tax revenue growth of 5.0% in FY 19 and 4.0% in FY 20 through FY 24. In addition, the COR forecasted growth of 4.0% for FY 25, which was not previously projected.

The State ended FY 18 with a general fund balance of approximately \$750 million. This carryover balance will help to support the increasing costs of State programs.

For FY 19, preliminary general fund tax revenue collections are 0.8% more than last year for the first two months. A significant decrease in July 2018 in the volatile corporate income tax revenues has negatively impacted the positive growth in all other tax categories; in addition, general excise tax revenues have thus far grown at a slow clip of 0.4% this fiscal year.

### **Reasonable and Sustainable**

Since the beginning of this Administration, we have been focused on providing a government which is more responsive to Hawai'i's people, while improving the efficiency and transparency of our operations. We will continue to pursue initiatives to improve the lives of our families, our children, and our kupuna, including those focused on:

- Education, which is fundamental to our children and our future. We must provide more support at the school level to ensure suitable learning environments.
- Affordable housing, which is in great need for Hawai'i's families to rent or buy.
- Homelessness, which continues to significantly impact our communities. We need to provide more shelters and social services.
- Local food production, which is necessary to develop a sustainable food supply.
- Our 100% clean energy future, which will reduce the State's reliance on fossil fuels.
- Correctional facilities, where we must alleviate overcrowding.

There is still much to be done but our resources are limited. We are the keeper of the public purse and the public's trust; hence, we must prudently use our resources and ensure that State funds are spent wisely.

Working together, we can achieve these common goals. We highly encourage departments to realign their budgets to best meet their current needs, including eliminating long-term vacancies where appropriate. Departments may consider requests which are reasonable and sustainable in cases where realignment cannot address those needs.

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 other

post-employment benefits (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.

### ***Budget Transparency***

Departments should review their FY 19 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 2019-21 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 18 or FY 19, 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 2019-21 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 20 and FY 21 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 2019-21" (**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 will send out further information on the online electronic workflow process which should be used to complete your department's Form FF for the FB 2019-21 budget process.

### **A. General Policies**

The general policies for the development of the FB 2019-21 Executive Biennium Budget are as follows:

1. For operations, the Executive Budget will be based on FY 19 appropriations from Act 49, SLH 2017, as amended by Act 53, SLH 2018, minus non-recurring costs and plus CB (except for federal and other federal funds) and other adjustments 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 a fringe benefit assessment rate of 60% for FY 20 and FY 21. The projected cost to fund OPEB and the statutory increases in premium contribution rates account for significant portions of this rate, which is expected to remain at around 60% for FY 22 and beyond.
4. The Bipartisan Budget Act (BBA) of 2018 increased the spending caps imposed by the Budget Control Act (BCA) of 2011. The BBA raised non-defense spending caps by \$68 billion in federal FY (FFY) 19 relative to the BCA caps of 2011 and \$18 billion relative to non-defense spending caps in FFY 18.

According to the Federal Fund Information for States, the additional federal funds will be spread unevenly among a variety of federal programs that distribute funds to state governments. Hawai'i should expect an increase in federal funding for FFY 18 of 5.3% for mandatory programs and 10.3% for discretionary programs.

However, the President's Budget for FFY 19, while not likely to be enacted, proposed cuts for Hawai'i of 10.7% for mandatory programs and 17% for discretionary programs. Thus, regardless of the spending available under the BBA, the desire of the current administration to reduce the size of the federal government requires us to take a cautious approach regarding future federal spending.

In budgeting for FFY 19 and beyond, departments should assume that the recent increases in funding in BBA will not be repeated, with the exception of Medicaid. For planning purposes, departments should assume a range of possibilities from a slight increase in federal funding to reductions in federal funding of 5.0% to 10% and should continue to keep abreast of potential changes to federal funding levels by working closely with their federal counterparts.

Given the uncertain nature of future federal funding levels, programs should not assume that State funds will be available to support program costs if federal funds are reduced or no longer available. All agencies receiving federal funds for operational purposes shall review such operations for possible changes to anticipated federal grants or other federal funding agreements. At this time, the use of discretionary federal funds for positions is discouraged and should be minimized.

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 Office of the Governor. 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, October 12, 2018, 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 Friday, November 30, 2018, the following must be submitted, reflecting the Governor's final budget decisions:
  - a. For all departments except the Department of Education (DOE), the University of Hawai'i (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. Total (by cost element and MOF) for all Table P must match the grand total on the Form S for the Governor's decision.

- 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 Friday, November 30, 2018: 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 28, 2018: 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 2019-21 Operating Budget Ceilings

Attachment 2: Guidelines for the Operating and Capital Improvement Program Budgets for FB 2019-21 and the Planning Period

Attachment 3: Additional Operating Budget Detail Guidelines FB 2019-21 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 (September 2018)

Attachment 7: Major, Recurring Federal Funds for State FB 2019-21

FB 19-21 BUDGET  
CURRENT SERVICES OPERATING BUDGET CEILINGS  
DEPARTMENT OF EDUCATION  
09/12/18

Means of Financing	MOF	Item	Act 053/2018 FY 19 Apprn	Add:				Less:		Current Svcs Budget Ceilings	
				FY 20 CB	FY 21 CB	FY 20 Adjustments	FY 21 Adjustments	FY 20 Non-recurring	FY 21 Non-recurring	FY 20	FY 21
General Fund	A	Perm Temp \$	19,366.75 2,007.50 1,629,121,724							19,366.75 2,007.50 1,729,046,797	19,366.75 2,007.50 1,760,838,212
Special Funds	B	Perm Temp \$	22.00 0.00 52,301,103	125,631	139,308			0	0	22.00 0.00 52,426,734	22.00 0.00 52,440,411
Federal Funds	N	Perm Temp \$	720.50 156.50 260,788,685	0	0			0	0	720.50 156.50 260,788,685	720.50 156.50 260,788,685
Other Fed Funds	P	Perm Temp \$	0.00 1.00 9,292,794	0	0			0	0	0.00 1.00 9,292,794	0.00 1.00 9,292,794
Private Contributions	R	Perm Temp \$	0.00 0.00 150,000	0	0			0	0	0.00 0.00 150,000	0.00 0.00 150,000
Trust Funds	T	Perm Temp \$	0.00 0.00 15,900,000	0	0			0	0	0.00 0.00 15,900,000	0.00 0.00 15,900,000
Interdept'l Trsf	U	Perm Temp \$	0.00 0.00 7,765,636	0	0			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 24,083,680	85,411	98,646			0	0	8.00 2.00 24,169,091	8.00 2.00 24,182,326
TOTAL		Perm Temp \$	20,117.25 2,167.00 1,999,403,622	0.00 0.00 103,141,354	0.00 0.00 134,959,681	0.00 0.00 0	0.00 0.00 0	0.00 0.00 (3,005,239)	0.00 0.00 (3,005,239)	20,117.25 2,167.00 2,099,539,737	20,117.25 2,167.00 2,131,358,064

FB 19-21 OPERATING BUDGET CEILINGS  
DEPARTMENT OF EDUCATION  
ADJUSTMENTS

<u>Prog ID</u>	<u>Org</u>	<u>Description</u>	<u>FY 20</u>	<u>FY 21</u>	<u>MOF</u>
<b>LESS NON-RECURRING:</b>					
EDN100	CB	English Language Learners Categorical Funding	500,000	500,000	A
EDN100	BJ	Alternative Learning Centers Strategic Plan	200,000	200,000	A
EDN200	MK	Title IX Compliance Training	850,000	850,000	A
EDN200	CT	Grant - Tomorrow's Leaders	100,000	100,000	A
EDN200	CT	Grant - Hawaii Council on Economic Education	15	15	A
EDN200	CT	Grant - Hookakoo Corporation	298,000	298,000	A
EDN200	CT	Grant - ISIS Hawaii	393,000	393,000	A
EDN200	CT	Grant - Read to Me International Foundation	200,000	200,000	A
EDN200	CT	Grant - Searider Productions Foundation	330,000	330,000	A
EDN300	KD	Office Equipment, Computer Equipment, Telecom Equipment,	8,800	8,800	A
EDN300	CT	Grant - After School All Stars Hawaii	100,000	100,000	A
EDN700	PK	Computer Equipment	20,000	20,000	A
EDN700	PK	Computer Equipment	5,424	5,424	A

Sub-total	3,005,239	3,005,239	
By MOF:	3,005,239	3,005,239	A
	-	-	B
	-	-	N
	-	-	P
	-	-	R
	-	-	S
	-	-	T
	-	-	U
	-	-	W
	-	-	X

<u>Prog ID</u>	<u>Org</u>	<u>Description (To be completed by Fiscal)</u>	<u>FY 20</u>	<u>FY 21</u>	<u>MOF</u>
<b>ADD: CB</b>					
		COLLECTIVE BARGAINING	102,930,312	134,721,727	A
		COLLECTIVE BARGAINING	125,631	139,308	B
		COLLECTIVE BARGAINING	-	-	N
		COLLECTIVE BARGAINING	-	-	P
		COLLECTIVE BARGAINING	-	-	T
		COLLECTIVE BARGAINING	-	-	U
		COLLECTIVE BARGAINING	85,411	98,646	W
		Sub-total	103,141,354	134,959,681	



DAVID Y. IGE  
GOVERNOR



CORRECTION TO FM 18-16  
ATTACHMENT E1

LAUREL A. JOHNSTON  
DIRECTOR

KEN N. KITAMURA  
DEPUTY DIRECTOR

OFS

A#n.

# 31891005

10/4

DEPT OF EDUCATION  
SUPT'S OFFICE

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

STATE OF HAWAII  
DEPARTMENT OF BUDGET AND FINANCE

P.O. BOX 150

HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

2018 OCT -4 A 8:34

October 1, 2018

TO: Dr. Christina M. Kishimoto, Superintendent  
Department of Education

FROM: Laurel A. Johnston *Laurel A. Johnston*  
Director of Finance

SUBJECT: Revised FB 2019-21 Current Services Operating Budget Ceilings

Attached is your revised FB 2019-21 current services operating budget ceiling for FYs 20 and 21. The FYs 20 and 21 non-recurring cost adjustments has also been revised to correct an error. Your understanding and cooperation in this matter is appreciated.

Attachment

FB 19-21 BUDGET  
CURRENT SERVICES OPERATING BUDGET CEILINGS  
DEPARTMENT OF EDUCATION  
Revised 9/26/2018

Means of Financing	MOF	Item	Act 053/2018 FY 19 Apprn	Add:				Less:		Current Svcs Budget Ceilings	
				FY 20 CB	FY 21 CB	FY 20 Adjustments	FY 21 Adjustments	FY 20 Non-recurring	FY 21 Non-recurring	FY 20	FY 21
General Fund	A	Perm Temp \$	19,366.75 2,007.50 1,629,121,724							19,366.75 2,007.50 1,729,031,812	19,366.75 2,007.50 1,760,823,227
Special Funds	B	Perm Temp \$	22.00 0.00 52,301,103	125,631	139,308			0	0	22.00 0.00 52,426,734	22.00 0.00 52,440,411
Federal Funds	N	Perm Temp \$	720.50 156.50 260,788,685	0	0			0	0	720.50 156.50 260,788,685	720.50 156.50 260,788,685
Other Fed Funds	P	Perm Temp \$	0.00 1.00 9,292,794	0	0			0	0	0.00 1.00 9,292,794	0.00 1.00 9,292,794
Private Contributions	R	Perm Temp \$	0.00 0.00 150,000	0	0			0	0	0.00 0.00 150,000	0.00 0.00 150,000
Trust Funds	T	Perm Temp \$	0.00 0.00 15,900,000	0	0			0	0	0.00 0.00 15,900,000	0.00 0.00 15,900,000
Interdept'l Trsf	U	Perm Temp \$	0.00 0.00 7,765,636	0	0			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 24,083,680	85,411	98,646			0	0	8.00 2.00 24,169,091	8.00 2.00 24,182,326
TOTAL		Perm Temp \$	20,117.25 2,167.00 1,999,403,622	0.00 0.00 103,141,354	0.00 0.00 134,959,681	0.00 0.00 0	0.00 0.00 0	0.00 0.00 (3,020,224)	0.00 0.00 (3,020,224)	20,117.25 2,167.00 2,099,524,752	20,117.25 2,167.00 2,131,343,079

FB 19-21 OPERATING BUDGET CEILINGS  
DEPARTMENT OF EDUCATION  
ADJUSTMENTS

<u>Prog ID</u>	<u>Org</u>	<u>Description</u>	<u>FY 20</u>	<u>FY 21</u>	<u>MOF</u>
<b>LESS NON-RECURRING:</b>					
EDN100	CB	English Language Learners Categorical Funding	500,000	500,000	A
EDN100	BJ	Alternative Learning Centers Strategic Plan	200,000	200,000	A
EDN200	MK	Title IX Compliance Training	850,000	850,000	A
EDN200	CT	Grant - Tomorrow's Leaders	100,000	100,000	A
EDN200	CT	Grant - Hawaii Council on Economic Education	15,000	15,000	A
EDN200	CT	Grant - Hookakoo Corporation	298,000	298,000	A
EDN200	CT	Grant - ISIS Hawaii	393,000	393,000	A
EDN200	CT	Grant - Read to Me International Foundation	200,000	200,000	A
EDN200	CT	Grant - Searider Productions Foundation	330,000	330,000	A
EDN300	KD	Office Equipment, Computer Equipment, Telecom Equipment,	8,800	8,800	A
EDN300	CT	Grant - After School All Stars Hawaii	100,000	100,000	A
EDN700	PK	Computer Equipment	20,000	20,000	A
EDN700	PK	Computer Equipment	5,424	5,424	A

Sub-total	3,020,224	3,020,224	
By MOF:	3,020,224	3,020,224	A
	-	-	B
	-	-	N
	-	-	P
	-	-	R
	-	-	S
	-	-	T
	-	-	U
	-	-	W
	-	-	X

<u>Prog ID</u>	<u>Org</u>	<u>Description</u>	<u>FY 20</u>	<u>FY 21</u>	<u>MOF</u>
<b>ADD: CB</b>					
		COLLECTIVE BARGAINING	102,930,312	134,721,727	A
		COLLECTIVE BARGAINING	125,631	139,308	B
		COLLECTIVE BARGAINING	-	-	N
		COLLECTIVE BARGAINING	-	-	P
		COLLECTIVE BARGAINING	-	-	T
		COLLECTIVE BARGAINING	-	-	U
		COLLECTIVE BARGAINING	85,411	98,646	W
Sub-total			103,141,354	134,959,681	

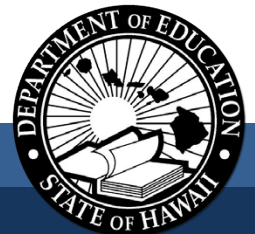
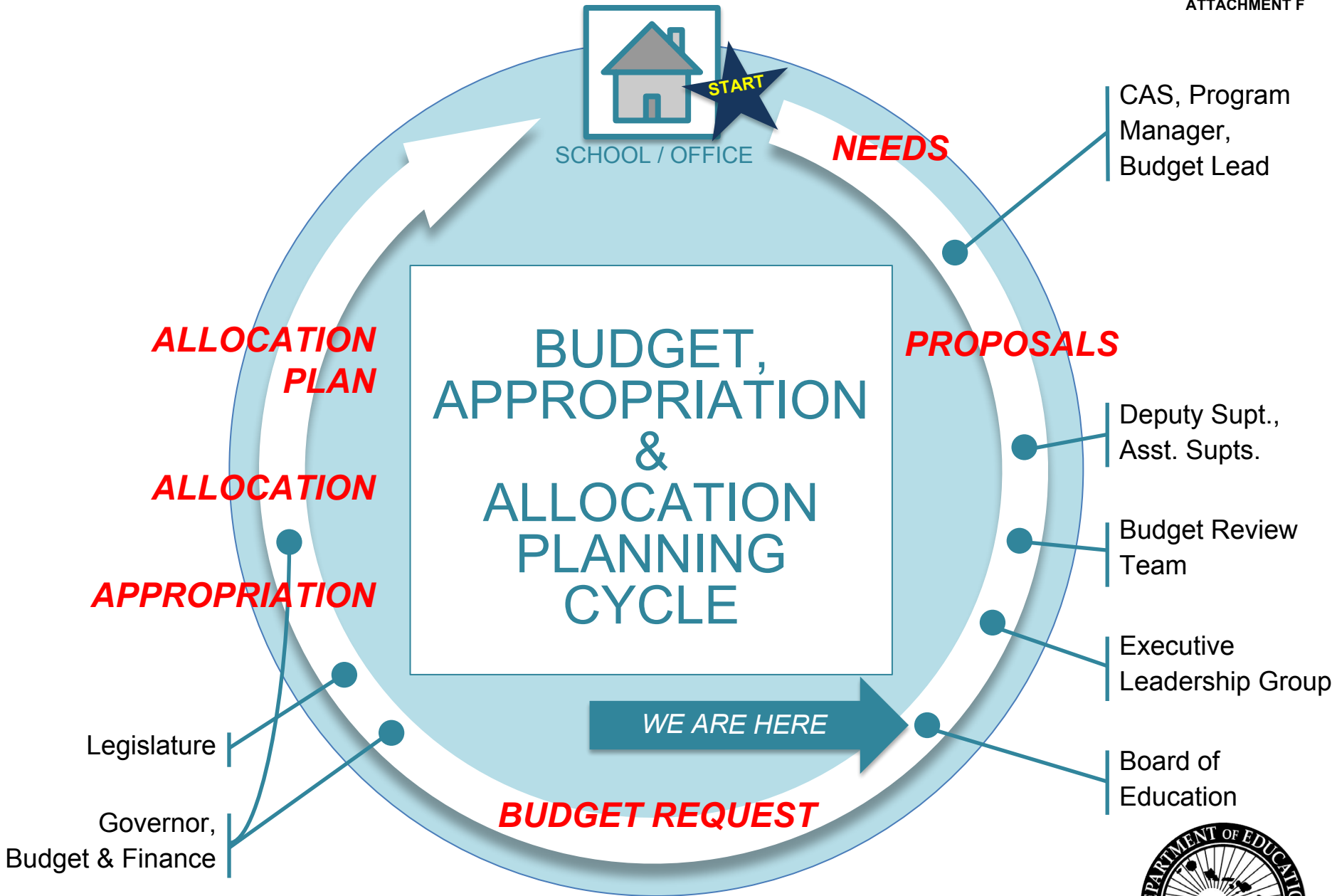
Committee Action on the Department of Education's  
Proposed Operating Budget for  
**2019-2021 Fiscal Biennium**

FINANCE & INFRASTRUCTURE COMMITTEE, OCT. 18, 2018

**AMY S. KUNZ**

Assistant Superintendent & CFO, Office of Fiscal Services

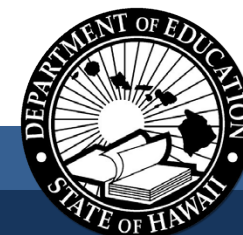
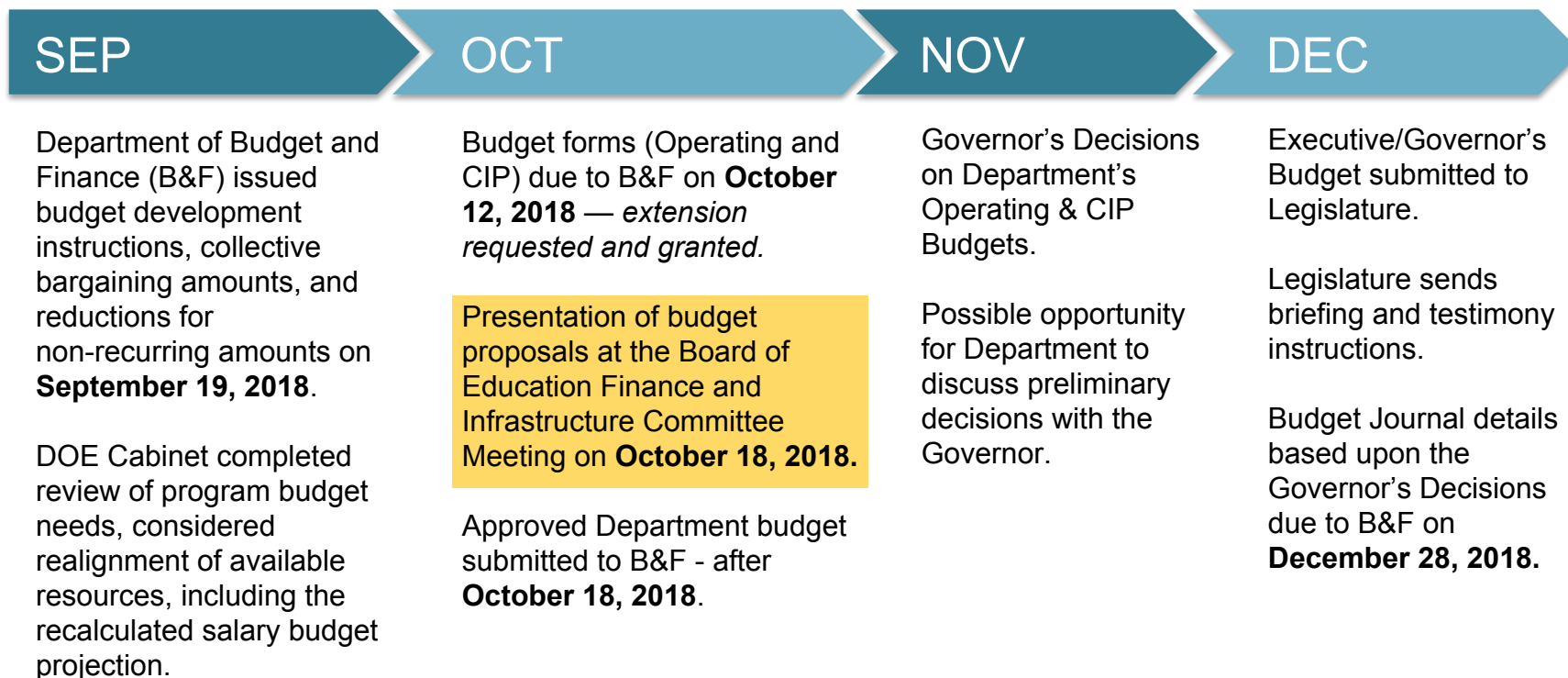




## BUDGET DEVELOPMENT

# Actions & Deadlines

*Dates are subject to change.*



## OPERATING BUDGET, FB 2019-2021

# B&F Instructions: Highlights

*Finance Memorandum No. 18-16, September 19, 2018*

- “We highly encourage departments to realign their budgets to best meet their current needs . . .”
- “Departments may consider requests which are reasonable and sustainable in cases where realignment cannot address those needs.”
- “We must provide more support at the school level to ensure suitable learning environments.”



OPERATING BUDGET, FB 2019-2021

# Budget Priorities: Four Key Areas





## OPERATING BUDGET, FB 2019-2021

## Summary of 'Base' Budget

*By All Means of Financing (funding sources)*

FY 2018-19 RESOURCES* (Act 53, SLH 2018)			ADDITIONS/SUBTRACTIONS* <i>to calculate base for next biennium</i>			BASE BUDGET* FB 2019-2021	
A	B	C	D	E	F	G	H
Perm. Positions	Temp. Positions	Appropriation	Non- Recurring	FY 2019-20 C.B.**	FY 2020-21 C.B.**	FY 2019-20 G = C+D+E	FY 2020-21 H = C+D+F
20,051.25	2,166.00	\$1,995,449,154	-\$2,994,800	\$102,855,010	\$134,534,213	<b>\$2,095,309,364</b>	<b>\$2,126,988,567</b>

\*Figures do not include funding/positions for EDN 700, Early Learning (Executive Office on Early Learning)

\*\*C.B. (Collective Bargaining): Negotiated terms & conditions of employment, including wages and step movements

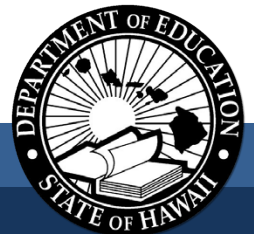


## OPERATING BUDGET, FB 2019-2021

## Summary of 'Base' Budget

BASE BUDGET FB 2019-2021*		
FUNDING SOURCES	FY 2019-20	FY 2020-21
General	\$1,724,942,052	\$1,756,594,343
Special	\$52,426,734	\$52,440,411
Federal	\$260,663,057	\$260,663,057
Other Federal	\$9,292,794	\$9,292,794
Trust	\$15,900,000	\$15,900,000
Interdepartmental Transfer	\$7,765,636	\$7,765,636
Private Contribution	\$150,000	\$150,000
Revolving	\$24,169,091	\$24,182,326
<b>TOTAL (ALL SOURCES)</b>	<b>\$2,095,309,364</b>	<b>\$2,126,988,567</b>

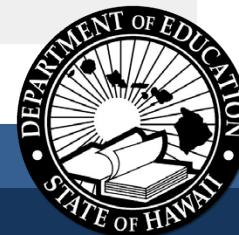
\*Figures do not include funding/positions for EDN 700, Early Learning (Executive Office on Early Learning)



## OPERATING BUDGET, FB 2019-2021

# Funding Strategies Highlights

Reprogram/Realign		Legislative Requests	
FY20: \$18.7 million	FY21: \$21.4 million	FY20: \$28.6 million	FY21: \$31.3 million
<ul style="list-style-type: none"> <li>● Teacher Recruitment &amp; Retention</li> <li>● Substitute Teacher Funding: SPED</li> <li>● Skilled Nursing Services</li> <li>● Applied Behavior Analysis</li> <li>● Board of Education Support</li> <li>● Indexed Complex Area Allocation: Safety &amp; Security</li> </ul>		<ul style="list-style-type: none"> <li>● Early College</li> <li>● Weighted Student Formula</li> <li>● School Facility Service &amp; Maintenance Contracts</li> <li>● Electric Utilities</li> <li>● Leadership Institute</li> <li>● Workers Compensation</li> <li>● Data Governance</li> </ul>	



## OPERATING BUDGET, FB 2019-2021

## Proposed Budget

	FY 2019-2020*			FY 2020-2021*		
	Perm. Positions	Temp. Positions	FY 2019-20 Base	Perm. Positions	Temp. Positions	FY 2020-21 Base
<b>BASE BUDGET</b>	<b>20,051.25</b>	<b>2,166.00</b>	<b>\$2,095,309,364</b>	<b>20,051.25</b>	<b>2,166.00</b>	<b>\$2,126,988,567</b>
<b>GENERAL FUND REQUESTS</b>	245.00	3.00	28,688,655	256.00	3.00	31,314,729
<b>NON-GENERAL FUND ADJUSTMENTS</b>	3.00	0.00	-7,509,032	3.00	0.00	-7,509,032
<b>PROPOSED FB 2019-2021 BUDGET</b>	<b>20,299.25</b>	<b>2,169.00</b>	<b>\$2,116,488,987</b>	<b>20,310.25</b>	<b>2,169.00</b>	<b>\$2,150,794,264</b>

\*Figures do not include funding/positions for EDN 700, Early Learning (Executive Office on Early Learning)

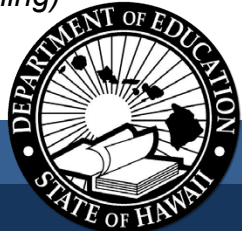


OPERATING BUDGET, FB 2019-2021

# Proposed Budget

PROPOSED BUDGET FB 2019-2021*		
FUNDING SOURCES	FY 2019-20	FY 2020-21
General	\$1,753,630,707	\$1,787,909,072
Special	\$53,676,734	\$53,690,411
Federal	\$250,663,057	\$250,663,057
Other Federal	\$9,553,793	\$9,553,793
Trust	\$15,650,000	\$15,650,000
Interdepartmental Transfer	\$7,495,605	\$7,495,605
Private Contribution	\$150,000	\$150,000
Revolving	\$25,669,091	\$25,682,326
<b>TOTAL (ALL SOURCES)</b>	<b>\$2,116,488,987</b>	<b>\$2,150,794,264</b>

\*Figures do not include funding/positions for EDN 700, Early Learning (Executive Office on Early Learning)

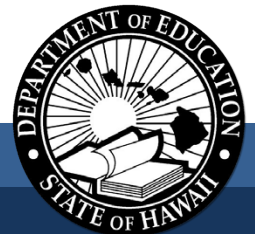


## OPERATING BUDGET, FB 2019-2021

# Next Steps

*After October 18, 2018*

- Listing of requests and justification due to B&F.
- B&F will make its recommendation to the Governor, and the Governor will make decisions.
- Historically, departments have been afforded an opportunity to discuss preliminary decisions with the Governor.
- Governor's Budget is due to the Legislature 30 days prior to the start of the 2019 session (on or about December 17).



FB 2019-2021

# Questions?



FOLLOW-UP ON FY 18 CARRYOVER AMOUNTS

EDN	Description	Amount	Plan
EDN100	Early College	250,000	For partnership with the University of Hawaii
EDN100	Resources for New Facilities	708,706	To partially meet \$1,633,234 shortfall
EDN150	Skilled Nursing	7,000,000	Shortfall for contract services in excess of \$3.5 million base budget
EDN150	Inclusion Practices	1,095,480	Resource teachers for each Complex Area to support schools
EDN150	SPED Service Contract Costs	1,145,514	Anticipated program shortfall
EDN200	Leadership Institute	513,000	Principal, Vice Principal, and Teacher Leadership programs
EDN200	Transfer out to EDN300 and 500	(316,400)	To balance
EDN300	BOE Operations	50,000	National School Boards Association membership and participation & audio system repair
EDN300	Data Governance and Analysis Branch	1,234,557	Position and funds for this OSIP Branch
EDN400	AC Maintenance and Repair	1,979,846	For shortfall not funded in Supplemental Budget
EDN500	Transfer in from EDN200 to clear deficit	163,131	To clear deficit

**Total: 13,823,834**

NOTE: The balance of \$47,984,346 (\$34,160,512) carried over back to the locations and programs in which FY2017-18 funds were as of June 30, 2018. The exceptions were that all Hawaiian Studies and REACH funds carried over back to the program level (state office) for reallocation to support program activities.