



EXECUTIVE CHAMBERS  
HONOLULU

NEIL ABERCROMBIE  
GOVERNOR

**GOV. MSG. NO. 1237**

June 24, 2014

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


The Honorable Joseph M. Souki,  
Speaker and Members of the  
House of Representatives  
Twenty-Seventh State Legislature  
State Capitol, Room 431  
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

Approved by the Governor  
on JUN 24 2014  
HOUSE OF REPRESENTATIVES  
TWENTY-SEVENTH LEGISLATURE, 2013  
STATE OF HAWAII

**ACT 134**  
**H.B. NO.** 648  
H.D. 1  
S.D. 1  
C.D. 1

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# A BILL FOR AN ACT

RELATING TO STATE FINANCES.

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

1 PART I.

2 SECTION 1. The purpose of this Act is to address state  
3 finances.

4 More specifically, this Act repeals or reduces certain  
5 specific appropriations that were made in acts passed during the  
6 regular session of 2013 and that the respective designated  
7 expending agencies are not planning to expend in fiscal year  
8 2013-2014.

9 The legislature finds that this Act enables the savings to  
10 be expressly identified as part of the carryover balance for  
11 fiscal year 2014-2015 in the state financial plan. The  
12 legislature finds that this approach is more efficient than  
13 simply allowing the unexpended and unencumbered amounts to  
14 lapse. Because lapsed appropriations do not become known until  
15 after the fiscal year ends, the legislature is unable to  
16 consider lapsed appropriations when making budgetary decisions  
17 during the regular session immediately preceding the lapse date.



1 The legislature emphasizes that the repeal or reduction of  
2 the appropriations in this Act does not represent  
3 discontinuation of support for the de-funded programs. The  
4 intent of this Act is to increase the general fund carryover  
5 balance.

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

10 PART II.

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

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

16 SECTION 3. Act 222, Session Laws of Hawaii 2013, is  
17 amended by repealing section 4.

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





1 homelessness prevention and rapid re-housing program for fiscal  
2 year 2013-2014.

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

5 SECTION 5. Act 222, Session Laws of Hawaii 2013, is  
6 amended by repealing section 9.

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

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

13 PART IV.

14 SECTION 6. The purpose of this part is to reduce the  
15 appropriation in Act 222, Session Laws of Hawaii 2013, for  
16 innovative temporary housing solutions for fiscal year 2013-  
17 2014.

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

20 SECTION 7. Act 222, Session Laws of Hawaii 2013, is  
21 amended by amending section 17 to read as follows:





1 ~~members who reside outside of Oahu and consulting services of~~  
2 ~~persons knowledgeable in relevant issues.~~

3 ~~The sum appropriated shall be expended by the department of~~  
4 ~~budget and finance for the purposes of this part." ]~~

5 PART VI.

6 SECTION 10. The purpose of this part is to repeal the  
7 appropriation in Act 268, Session Laws of Hawaii 2013, for a  
8 study on joint investment information and service sharing by the  
9 employees' retirement system and Hawaii employer-union health  
10 benefits trust fund for fiscal year 2013-2014.

11 The legislature finds that the department of budget and  
12 finance may not be able to expend the appropriation for fiscal  
13 year 2013-2014. This part does not repeal the appropriation for  
14 the study for fiscal year 2014-2015.

15 SECTION 11. Act 268, Session Laws of Hawaii 2013, is  
16 amended by amending section 13 to read as follows:

17 "SECTION 13. There is appropriated out of the general  
18 revenues of the State of Hawaii the sum of [~~\$500,000~~] \$100,000  
19 or so much thereof as may be necessary for fiscal year 2013-2014  
20 and the [~~same~~] sum [~~of~~] \$350,000 or so much thereof as may be  
21 necessary for fiscal year 2014-2015 for the department of budget  
22 and finance to conduct a study and develop an implementation



1 plan to have both the employer-union health benefits trust fund  
2 and the employees' retirement system jointly share investment  
3 information and services.

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

6 PART VII.

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

11 SECTION 13. The legislature finds that there is in the  
12 medicaid investigations recovery fund, established under section  
13 28-91.5, Hawaii Revised Statutes, at least \$1,000,000 in excess  
14 of the requirements of the fund. Until June 30, 2014, the  
15 director of finance may transfer from the medicaid  
16 investigations recovery fund to the general fund the sum of  
17 \$1,000,000 or so much thereof as may be necessary for fiscal  
18 year 2013-2014.

19 PART VIII.

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

22 SECTION 15. This Act shall take effect upon its approval.





H.B. NO.

648  
H.D. 1  
S.D. 1  
C.D. 1

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APPROVED this 24 day of JUN , 2014

*Neil Abernethy*

GOVERNOR OF THE STATE OF HAWAII