



GOV. MSG. NO. 241

EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

February 21, 2014

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

Dear President Kim:

Transmitted herewith are proposed changes to the FY 15 Supplemental Budget for the Department of Budget and Finance (B&F), Department of Health (DOH), and the University of Hawaii (UH).

Your favorable consideration is requested for the attached budget items and provisos:

B&F – Employer-Union Trust Fund Payments

Adds total of \$5,476,009 (\$2,915,947 State employees; \$1,510,515 Department of Education employees; and \$1,049,547 UH employees) in FY 15. Amounts have been revised to reflect actual premiums for actives for FY 15. Rates for some plans, particularly prescription drug, are higher than projected. Also, drug coverage is to become mandatory for those enrolled in medical plans.

Amends budget proviso Section 38 to update revised funding requirements for health benefit payments.

DOH – Tobacco Settlement

Adds \$610,000 in interdepartmental funds in FY 15 from the State Department of Human Services to restore funding for the U.S. Department of Agriculture, Supplemental Nutrition Assistance Education Program.

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UH – University of Hawaii, Manoa

Add 1.00 permanent general fund position and 3.50 temporary general fund positions in FY 15 to support the Global Studies Program. Executive Supplemental Budget includes \$500,000 in general funds in FY 15.

Your staff may contact the appropriate agency for additional information. Your understanding and assistance is appreciated.

Sincerely,



NEIL ABERCROMBIE
Governor, State of Hawaii

Attachment

c: Honorable David Y. Ige

OPERATINGDepartment of Budget and Finance, Health Premium Payments – State (BUF 761/ST)

Adds funds to reflect revisions based on actual premiums for actives for FY 15. Rates for some plans, particularly prescription drug, are higher than projected. Also, drug coverage is to become mandatory for those enrolled in medical plans.

	<u>FY 2014</u>	<u>FY 2015</u>
Other Current Expenses	\$2,915,947 A

Department of Budget and Finance, Health Premium Payments – DOE (BUF 765/LE)

Adds funds to reflect revisions based on actual premiums for actives for FY 15. Rates for some plans, particularly prescription drug, are higher than projected. Also, drug coverage is to become mandatory for those enrolled in medical plans.

	<u>FY 2014</u>	<u>FY 2015</u>
Other Current Expenses	\$1,510,515 A

Department of Budget and Finance, Health Premium Payments – UH (BUF 768/HE)

Adds funds to reflect revisions based on actual premiums for actives for FY 15. Rates for some plans, particularly prescription drug, are higher than projected. Also, drug coverage is to become mandatory for those enrolled in medical plans.

	<u>FY 2014</u>	<u>FY 2015</u>
Other Current Expenses	\$1,049,547 A

Department of Health, Tobacco Settlement (HTH 590/KK)

Adds funds to restore interdepartmental transfer funds (request O-74) to be received from the State Department of Human Services for the U.S. Department of Agriculture, Supplemental Nutrition Assistance Education Program.

	<u>FY 2014</u>	<u>FY 2015</u>
Other Current Expenses	\$610,000 U

University of Hawaii, Instructions – Manoa (UOH 100/AB)

Add 1.00 permanent general fund position and 3.50 temporary general fund positions in FY 15 to support the Global Studies Program.

	<u>FY 2014</u>	<u>FY 2015</u>
Personal Services	(1.00) A

PROVISOS

By amending section 38 as amended:

"SECTION 38. Provided that of the general fund appropriations for health premium payments (BUF761-BUF768), the following sums specified in fiscal biennium 2013-2015 shall be expended for the state employer's share of health premiums for active employees and retirees only as follows:

<u>Program I.D.</u>	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
BUF761	[\$208,860,839] <u>\$196,492,534</u>	[\$228,473,835] [\$209,518,698] <u>\$212,434,645</u>
BUF765	[\$231,658,073] <u>\$209,170,168</u>	[\$253,426,037] [\$226,818,941] <u>\$228,329,456</u>
BUF768	[\$ 82,978,795] <u>\$ 78,883,566</u>	[\$ 90,795,204] [\$ 84,104,374;] <u>\$85,153,921;</u>

provided further that unrequired balances may be transferred only to debt service payments (BUF721-BUF728) and retirement benefits payments (BUF741-BUF748); provided further that the funds shall not be expended for any other purpose; and provided further that any unexpended funds shall lapse into the general fund at the end of the respective fiscal year for which the appropriation was made."