

JAN 24 2007

A BILL FOR AN ACT

RELATING TO BUDGET TRANSPARENCY.

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

1 SECTION 1. The legislature finds that transparency and
2 accountability is crucial to the success of democracy, by
3 allowing citizens to watch over their elected leaders and
4 government agencies.

5 The legislature also finds that the budget is one of the
6 most important documents of government, as it allocates public
7 resources and expresses the priorities and values of the State.
8 Although the process of creating the state budget receives a
9 great deal of attention during the legislative session, there is
10 considerably less attention paid to ensuring that the budget is
11 executed as planned.

12 The purpose of this Act is to provide greater transparency,
13 thereby helping to ensure accountability, improve public
14 confidence, and promote informed debate about fiscal matters, by
15 requiring reporting of information on appropriated funds
16 through:



1 (1) Quarterly updates for program appropriations covering
2 the current biennium; and

3 (2) Semi-annual updates for capital improvement
4 appropriations covering the current and previous
5 biennium, as well as an extended period for projects
6 with federal funding.

7 SECTION 2. Chapter 37, Hawaii Revised Statutes, is amended
8 by adding a new section to be appropriately designated and to
9 read as follows:

10 "§37- Budget and financial plan updates. (a) Any other
11 law to the contrary notwithstanding, the governor shall submit
12 updates to the two-year budget to the legislature pursuant to
13 sections (b) and (c).

14 (b) For program appropriations, quarterly updates shall be
15 reported no later than fifteen days after the close of each
16 allotment period. Reports shall cover the two fiscal years in
17 the current biennium and include:

- 18 (1) The amounts appropriated for each program;
19 (2) The actual expenditures for each program for the most
20 recent allotment periods; provided that an estimate of
21 the expenditures may be substituted if the actual



1 expenditures are not available at the time of the
2 report;

3 (3) Identification of the programs for which the actual
4 expenditures for each fiscal year are anticipated to
5 be less than fifty per cent of the budgeted amount;
6 provided that a narrative explanation regarding the
7 reason for the deviation shall be included in the
8 report; and

9 (4) Any changes made to figures or explanations in
10 previous reports.

11 (c) For capital improvement project appropriations,
12 updates shall be reported semi-annually no later than April 15
13 and October 15. The April 15 report shall cover capital
14 improvement project appropriations in the previous two biennia
15 and in the current biennium through March 31 of that fiscal
16 year. The October 15 report shall cover capital improvement
17 projects appropriations in the previous two biennia and in the
18 current biennium through September 30 of that fiscal year. The
19 reports shall include the following for each project:

20 (1) The program ID, item number, and project title;

21 (2) The amount of the appropriation and means of finance;



- 1 (3) The amounts requested for allotment and the date
2 requested; provided that if no request has been
3 submitted, a narrative explanation regarding the
4 reason shall be included in the report;
- 5 (4) The amounts allotted, expended, and encumbered;
6 provided that if allotment requests were denied or
7 only a partial allotment was made, a narrative
8 explanation regarding the reason shall be included in
9 the report; and
- 10 (5) Any changes made to figures or explanations in
11 previous reports.
- 12 (d) The reports shall be printed with a reasonable number
13 of copies for public distribution, and shall be made available
14 on the website of the _____."

15 SECTION 3. Section 37-69, Hawaii Revised Statutes, is
16 amended by amending subsection (a) to read as follows:

17 "(a) The governor shall prepare a state six-year program
18 and financial plan encompassing all state programs. Not fewer
19 than thirty days before the legislature convenes in every odd-
20 numbered year, the governor shall submit to the legislature and
21 to each member thereof the six-year program and financial plan.
22 The program and financial plan shall be annually and continually



1 updated and maintained. Quarterly updates of the financial plan
2 shall be submitted to the legislature. The program and
3 financial plan, in general, shall contain:

- 4 (1) The state program structure;
- 5 (2) Statements of statewide objectives and program
6 objectives;
- 7 (3) Program plans that describe the programs recommended
8 to implement the statewide and program objectives and
9 the manner in which the recommended programs are
10 proposed to be implemented over the next six fiscal
11 years; and
- 12 (4) A financial plan that shows the fiscal implications of
13 the recommended programs for the next six fiscal
14 years."

15 SECTION 4. New statutory material is underscored.

16 SECTION 5. This Act shall take effect upon its approval.

17

INTRODUCED BY: *[Signature]*
[Signature]
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~~S.B. No. 1927~~

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Report Title:

State Budget and Financial Plan; Transparency

Description:

Requires the governor to submit quarterly and semiannual updates of the two-year budget and financial plan to the legislature.

