

LATE TESTIMONY

TESTIMONY BY GEORGINA K. KAWAMURA
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STATE OF HAWAII
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
SENATE BILL NO. 2740

January 31, 2008

RELATING TO THE BUDGET

Senate Bill No. 2740 removes the explicit references to “policy decisions of the governor” in program execution as established under Section 37-74, HRS, purportedly leaving legislative appropriations and other provisions of law as guidelines for State departments and agencies to follow in administering their programs.

The Department of Budget and Finance strongly opposes this bill because it contravenes the principle of separation of powers between the Legislative and Executive Branches of government.

As established by constitutional and State law, the Legislature and the Executive Branch have distinct roles in the budget process. The Legislature has the power to appropriate funds for the working of State government. However, according to Attorney General Opinion No. 03-02, “once the appropriations bill has been enacted and the fiscal year begins, the legislative work is complete and it is the executive branch’s responsibility to implement the budget.”

The State Constitution specifically recognizes the executive power of the Governor and requires (in Section 6, Article V) that “each principal department shall be under the supervision of the governor.” In budget implementation and program execution, policy decisions of the Governor establish the general fiscal and operational rules by which

Executive Branch departments operate during the fiscal period. The policy decisions take into account a multitude of factors affecting State programs and finances, including legal, financial and programmatic considerations. Pursuant to policy decisions of the Governor, actions to control program management and expenditures are exercised as needed throughout the year by the Executive Branch in its capacity as administrator of State programs and finances.

The proposed requirement would seriously undermine and impair the ability of the Governor to manage State programs and resources for efficiency, productivity and economy.

We strongly recommend that this bill be held.