
A BILL FOR AN ACT

RELATING TO BUDGETARY POWERS.

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

1 SECTION 1. Section 37-31, Hawaii Revised Statutes, is
2 amended to read as follows:
3 "§37-31 Intent and policy. It is declared to be the
4 policy and intent of the legislature that the total
5 appropriations made by it, or the total of any budget approved
6 by it, for any department or establishment, shall be deemed to
7 be the maximum amount authorized to meet the requirements of the
8 department or establishment for the period of the appropriation,
9 excepting as may otherwise be provided by law, and that the
10 governor and the director of finance should be given the powers
11 granted by sections 37-32 to 37-41 in order that savings may be
12 effected by careful supervision throughout each appropriation
13 period with due regard to changing conditions; and by promoting
14 more economic and efficient management of state departments and
15 establishments [-]; provided that the powers granted to the
16 governor and the director of finance by sections 37-32 to 37-41
17 shall not be construed to include the power to:



1 (1) Restrict funding to a program to the extent that the
2 program cannot adequately execute its intended
3 purpose; or

4 (2) Suspend or abolish any existing program,
5 if the program has been authorized by the legislature and moneys
6 have been appropriated for the program, unless specifically
7 authorized by legislative act, or the restriction, suspension,
8 or abolition is made pursuant to a declaration of emergency by
9 the governor."

10 SECTION 2. Section 37-36, Hawaii Revised Statutes, is
11 amended by amending subsection (a) to read as follows:

12 "(a) The director of finance may modify or amend any
13 previous allotment upon notice to the department or
14 establishment concerned; provided that:

15 (1) For the University of Hawaii, the director of finance
16 may modify or amend any previous allotment only upon
17 application of or notice to the university, and upon
18 public declaration, which shall be made ten days prior
19 to the modification or amendment taking effect;

20 (2) The modification or amendment shall be made only to
21 avoid an illegal result or in anticipation of a
22 revenue shortfall;



1 (3) No deficit or undue reduction of funds to meet future
2 needs of the department or establishment will result
3 from the modification or amendment; [~~and~~]

4 (4) No modification or amendment shall reduce an allotment
5 below the amount required to meet valid obligations or
6 commitments previously incurred against the allotted
7 funds [~~-~~]; and

8 (5) No modification or amendment shall reduce an allotment
9 below the amount required to adequately execute the
10 intended purpose of an existing program authorized by
11 the legislature and for which moneys have been
12 appropriated, unless specifically authorized by
13 legislative act, or the modification or amendment is
14 made pursuant to a declaration of emergency by the
15 governor."

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

18 "(a) Except as provided in subsection (b), when the
19 director of finance determines at any time that the probable
20 receipts from taxes or any other sources for any appropriation
21 will be less than was anticipated, and that consequently the
22 amount available for the remainder of the term of the

1 appropriation or for any allotment period will be less than the
2 amount estimated or allotted therefor, the director shall, with
3 the approval of the governor and after notice to the department
4 or establishment concerned, reduce the amount allotted or to be
5 allotted; provided that no reduction reduces any allotted amount
6 below the amount required to meet valid obligations or
7 commitments previously incurred against the allotted funds[-];
8 and provided further that no reduction shall decrease an
9 allotment below the amount required to adequately execute the
10 intended purpose of an existing program authorized by the
11 legislature and for which moneys have been appropriated, unless
12 specifically authorized by legislative act or the reduction is
13 made pursuant to a declaration of emergency by the governor."

14 SECTION 4. Section 37-65, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "[+] §37-65 [+] **Responsibilities of the governor.** The
17 governor shall direct the preparation and administration of
18 state programs, program and financial plans, and budget. The
19 governor shall evaluate the long-range program plans, requested
20 budgets and alternatives to state objectives and programs; and
21 formulate and recommend for consideration by the legislature the
22 State's long-range plans, a proposed six-year state program and



1 financial plan and a proposed state budget. The governor shall
2 not utilize the powers granted under sections 37-32 to 37-41 to:

3 (1) Restrict funding to a program to the extent that the
4 program cannot adequately execute its intended
5 purpose; or

6 (2) Suspend or abolish any existing program,
7 if the program is authorized by the legislature and moneys have
8 been appropriated for the program, unless specifically
9 authorized by legislative act or the restriction, suspension, or
10 abolishment is made pursuant to a declaration of emergency by
11 the governor."

12 SECTION 5. Section 37-66, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "[+] §37-66 [+] Responsibilities of the legislature. The
15 legislature shall:

16 (1) Consider the long-range plans, including the proposed
17 objectives and policies, the six-year state program
18 and financial plan, and the budget and revenue
19 proposals recommended by the governor and any
20 alternatives thereto[-];



1 (2) Adopt programs and the state budget, and appropriate
2 moneys to implement the programs it deems
3 appropriate[-];

4 (3) Unless otherwise provided by law, have the sole power
5 by law to establish new programs or suspend or abolish
6 an existing program for which public moneys must be
7 appropriated and expended;

8 ~~(3)~~ (4) Adopt such other legislation as necessary to
9 implement state programs[-]; and

10 ~~(4)~~ (5) Review the implementation of the state budget and
11 program accomplishments and execution of legislative
12 policy direction. Implementation of the state budget
13 and program management, execution, and performance
14 shall be subject to post-audits by the auditor who
15 shall report the auditor's findings and
16 recommendations to the legislature as provided in
17 chapter 23."

18 SECTION 6. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 7. This Act shall take effect upon its approval.



Report Title:

Budgetary Powers; Legislature; Governor

Description:

Clarifies the budgetary powers of the legislature and the executive branches of government.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

