
HOUSE CONCURRENT RESOLUTION

REQUESTING THE STATE AUDITOR TO PERFORM A COMPREHENSIVE AUDIT OF
ALL SPECIAL FUNDS OF THE STATE.

1 WHEREAS, special funds are dedicated or set aside by law
2 for a specified object or purpose; and
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4 WHEREAS, the State's special funds support important
5 specific programs, such as harbor improvements, health
6 education, beach restoration, historic preservation, and tourism
7 promotion; and
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9 WHEREAS, over the years, hundreds of special funds have
10 been created to take care of special interests that might
11 otherwise fail to get money in the budget that consists of
12 general funds, and it is difficult to calculate how much is in
13 all these special funds, because they are scattered throughout
14 the state bureaucracy and often operate independently; and
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16 WHEREAS, the last comprehensive review of special funds was
17 released in 1992 (and updated ten years ago in 2001), when the
18 State Auditor was asked to look at all special funds, determine
19 their usefulness, and recommend whether they should be closed;
20 and
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22 WHEREAS, the report identified approximately 132 special
23 funds and urged that many of them be repealed; however, most of
24 the recommendations were ignored or rejected; and
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26 WHEREAS, certain multimillion-dollar special funds are not
27 legally subject to being raided, such as the State Highway Fund,
28 Harbor Special Fund, and Airport Revenue Fund; and
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30 WHEREAS, hundreds of other special funds hold hundreds of
31 millions of dollars; and



H.C.R. NO. 199

1 WHEREAS, the repeal of special funds would compel their
2 associated programs to be evaluated and assessed regularly by
3 the Legislature, thereby increasing financial transparency and
4 accountability; and
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6 WHEREAS, the repeal of many special funds would infuse
7 sorely needed moneys into the State's general fund, which can be
8 used much more flexibly by the Legislature; and
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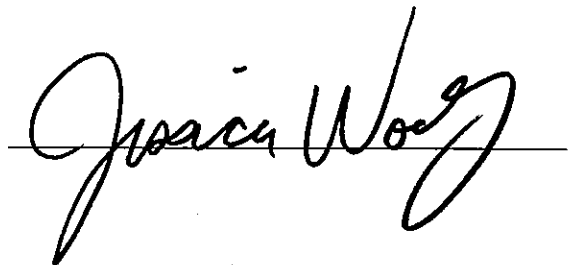
10 WHEREAS, in difficult economic and fiscal times, the State
11 cannot afford to have millions of excess dollars in special
12 funds when they might be used more wisely and effectively
13 elsewhere; now, therefore,
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15 BE IT RESOLVED by the House of Representatives of the
16 Twenty-sixth Legislature of the State of Hawaii, Regular Session
17 of 2011, the Senate concurring, that the State Auditor is
18 requested to conduct a comprehensive audit of the special funds
19 of the State, including the effectiveness of part III of chapter
20 37, Hawaii Revised Statutes, relating to budgetary control of
21 special funds; and
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23 BE IT FURTHER RESOLVED that the State Auditor submit the
24 comprehensive audit, including any proposed legislation, to the
25 Legislature no later than 20 days prior to the convening of the
26 Regular Session of 2012; and
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28 BE IT FURTHER RESOLVED that certified copies of this
29 Concurrent Resolution be transmitted to the State Auditor,
30 Governor, Chief Justice of the Hawaii Supreme Court, Chairperson
31 of the Board of Trustees of the Office of Hawaiian Affairs, and
32 Director of Budget and Finance.
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OFFERED BY:



MAR 16 2011

