

S.B. NO. 1332

JAN 26 2011

A BILL FOR AN ACT

RELATING TO THE UNIVERSITY OF HAWAII.

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

1 SECTION 1. Chapter 37, Hawaii Revised Statutes, is amended
2 by adding a new section to be appropriately designated and to
3 read as follows:

4 "§37- University of Hawaii; carryover of funds. (a)
5 The University of Hawaii may retain up to five per cent of
6 general funds appropriated, except for appropriations to fund
7 financing agreements entered into in accordance with chapter
8 37D, at the close of a fiscal year and the funds retained shall
9 be carried forward to the next fiscal year and become part of
10 that fiscal year's appropriation; provided that the retention of
11 an appropriation shall not be used as a basis for reducing the
12 university's future budget requirements."

13 SECTION 2. New statutory material is underscored.

14 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY: 

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BY REQUEST

Report Title:

University of Hawaii; Carryover Funds

Description:

Amending chapter 37, Hawaii Revised Statutes, to allow for the carryover of up to five percent of general funds appropriated into the next fiscal year.

JUSTIFICATION SHEET

DEPARTMENT: University of Hawaii

TITLE: A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII.

PURPOSE: To allow for the carryover of up to five per cent of general funds appropriated to the subsequent fiscal year.

MEANS: Amend chapter 37, Hawaii Revised Statutes, by creating a new section.

JUSTIFICATION: Allowing for the carryover of up to five per cent of general fund appropriations will allow for more efficient utilization of university and state resources by eliminating time and effort expended at fiscal year-end which does not result in added value or savings for the state or the University. The carryover will provide the opportunity for fourth-quarter expenditures to be performed in a more prudent and routine manner.

Impact on the public: None.

Impact on the department and other agencies:
This will result in significant reduction in the extensive time and effort by fiscal personnel at the University of Hawaii as well as budget and accounting personnel at the State Departments of Accounting and General Services and of Budget and Finance. Currently, these individuals devote much effort to expend, encumber, and account for general funds at year end and in the subsequent fiscal year. Unlike other state agencies, the University has a number of funds containing non-general funds (collectively Non-General Funding) that may be used to supplement the general funds

appropriated to the University since the amount of such general funds appropriation is not sufficient to fully cover the University's operating costs. Accordingly, the extensive effort expended at year end is to account for expenditures and encumbrances to ensure that: (1) all of the general funds are fully utilized and there is no lapsing of any such general funds and (2) any operating costs not covered by general funds are covered by Non-General Funding. Such extensive time and effort does not result in added value or savings for the State of Hawaii or the University.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: UOH 100, UOH 210, UOH 700, UOH 800, UOH 900

OTHER AFFECTED
AGENCIES: Department of Accounting and General
Services, Department of Budget and Finance

EFFECTIVE DATE: Upon approval.