

# S.B. NO. 2882

JAN 25 2012

## 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. The funds retained shall be  
9 carried over to the subsequent fiscal year and be available in  
10 addition to that fiscal year's appropriation; provided that the  
11 retention of appropriated funds shall not be used as the sole  
12 basis for reducing the university's future budget requirements.

13 (b) By December 1 of each year, the University of Hawaii  
14 shall prepare and submit an annual report to the legislature on  
15 the status and amount of funds carried over during the year  
16 pursuant to this section."

17 SECTION 2. Section 37-41, Hawaii Revised Statutes, is  
18 amended to read as follows:

S.B. NO. 2882

1           "§37-41 Appropriations to revert to state treasury;  
2 **exceptions.** Unless otherwise provided by [~~section~~] sections 37-  
3 41.5, 37- , or any other law, every appropriation or part  
4 thereof of any kind made subject to sections 37-31 to 37-40,  
5 remaining unexpended and unencumbered at the close of any fiscal  
6 year shall lapse and be returned to the general fund in the  
7 manner prescribed in section 40-66."


8           SECTION 3. Statutory material to be repealed is bracketed  
9 and stricken. New statutory material is underscored.

10          SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:



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BY REQUEST

S.B. NO. 2882

**Report Title:**

University of Hawaii; Carryover Funds

**Description:**

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

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

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 percent of general funds appropriated to the subsequent fiscal year.

MEANS: Add a new section to chapter 37 and amend section 37-41, Hawaii Revised Statutes.

JUSTIFICATION: Allowing for the carryover of up to five percent 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.