



## HOUSE OF REPRESENTATIVES

STATE OF HAWAII  
STATE CAPITOL  
HONOLULU, HAWAII 96813

Testimony Presented Before the  
House Committee on Finance  
March 2, 2011, 1:00 p.m. Agenda #4  
by  
Representative Mark M Nakashima

RE: Request consideration for proposed HD2 for HB 1529

Chair Oshiro and members of the House Committee on Finance

Thank you for the opportunity to express my strong support for House Bill 1529 Related to State Planning.

As a member of this body, I believe it is important for us to unite in a common vision for the State of Hawaii so that policy goals and objectives continue to move Hawaii forward toward our future. The state plan should not be a static document. It should be subject to on-going scrutiny and debate as we continue to address the needs of our state.

The current state plan contained in Chapter 226, Hawaii Revised Statutes, has become in many ways outdated and may no longer reflect the current goals and direction of the State of Hawaii. It is important that we engage in updating this document to guide us and future generations into the next century. Toward this end, I would humbly request adopting the attached amendment that was developed in consultation with some of the stakeholders in this endeavor.

I ask that you give this measure favorable consideration to move forward so we may continue to work with parties in perfecting this legislation.

Mahalo.

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# A BILL FOR AN ACT

RELATING TO PLANNING.

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

1           SECTION 1. In order to grow and prosper as a state, it is  
2 important to take deliberate measure in charting and planning  
3 the course of growth and investment in state resources. This  
4 process must include an ongoing dialogue among the many  
5 stakeholders in Hawaii's future to ensure that the best  
6 decisions are made in the best interests of the people of  
7 Hawaii.

8           The purpose of this Act is to establish a temporary task  
9 force to begin a dialogue leading toward the updating of the  
10 Hawaii state planning act and to provide for a review of the  
11 current budget planning process.

12           SECTION 2. (a) There is established within the governor's  
13 office for administrative purposes a temporary task force to  
14 review and update the Hawaii state planning act and the  
15 planning, programming, and budgeting system of the State. The  
16 governor shall convene the task force within thirty days after  
17 the effective date of this Act.



- 1           (b) As part of its review of the planning, programming,  
2 and budgeting system of the State, the task force shall:
- 3           (1) Conduct a comprehensive review of chapter 226, Hawaii  
4 Revised Statutes, and develop recommendations on all  
5 aspects of public policy already identified under  
6 chapter 226, Hawaii Revised Statutes, and whether any  
7 provisions of the State Planning Act relating to the  
8 direction and focus of the State for the next fifty  
9 years should be retained, amended, or repealed;
- 10          (2) In addition to the review prescribed in paragraph (1),  
11 consider other public policy areas that need to be  
12 addressed by the State for the next fifty years and  
13 make recommendations on those areas;
- 14          (3) Provide a strategy that includes a mechanism by which  
15 the public may be involved in finalizing any update of  
16 the State Planning Act;
- 17          (4) Consider how the system is currently employed by state  
18 agencies and departments in establishing their  
19 respective budgets;
- 20          (5) Examine computer platforms, work processes, financial  
21 reporting capabilities, data analysis capabilities of



- 1 the executive branch, and the budget deliberation  
2 requirements of the legislative branch; and
- 3 (6) Provide a strategy for updating the information  
4 systems used by the state agencies and departments to  
5 make the process more efficient and expedient and more  
6 contemporary to what is commonly used by other state  
7 governments and similar-sized private organizations.
- 8 (c) The task force shall be composed of:
- 9 (1) The chairperson of the senate ways and means committee  
10 or the chairperson's designee;
- 11 (2) The chairperson of the house finance committee or the  
12 chairperson's designee;
- 13 (3) The chairperson of the senate water, land, and housing  
14 committee or the chairperson's designee;
- 15 (4) The chairperson of the house water, land, and ocean  
16 resources committee or the chairperson's designee;
- 17 (5) The chairperson of the senate economic development and  
18 technology committee or the chairperson's designee;
- 19 (6) The chairperson of the house economic revitalization  
20 and business committee or the chairperson's designee;
- 21 (7) A senator appointed by the president of the senate;



- 1 (8) A representative appointed by the speaker of the house  
2 of representatives;
- 3 (9) The director of budget and finance or the director's  
4 designee;
- 5 (10) The comptroller or the comptroller's designee;
- 6 (11) The director of the office of planning or the  
7 director's designee;
- 8 (12) The chairperson of the board of directors of the  
9 Chamber of Commerce of Hawaii or the chairperson's  
10 designee;
- 11 (13) The executive director of the economic research  
12 organization at the University of Hawaii (UHERO) or  
13 the executive director's designee;
- 14 (14) The chairperson of the board of directors of the  
15 Hawaii tourism authority or the chairperson's  
16 designee; and
- 17 (15) The president of the Tax Foundation of Hawaii or the  
18 president's designee.
- 19 (d) The members of the task force shall:
- 20 (1) Select the chairperson of the task force from among  
21 its members; and



1           (2) Serve without compensation, but may be reimbursed for  
2           necessary expenses, including travel expenses,  
3           incurred in the performance of their official duties  
4           under this Act.

5           (e) The chairperson of the task force may select  
6           additional task force members at the chairperson's discretion.

7           (f) The office of planning shall provide all  
8           administrative, technical, professional, and clerical support  
9           required by the task force for matters pertaining to the review  
10          and update of the state planning act.

11          The department of budget and finance shall provide all  
12          administrative, technical, professional, and clerical support  
13          required by the task force for matters pertaining to the review  
14          and update of the planning, programming, and budgeting system.

15          (g) In developing its preliminary recommendations, the  
16          task force may conduct meetings without regard to chapter 92,  
17          Hawaii Revised Statutes.

18          By no later than December 15, 2011, the task force shall  
19          adopt its final recommendations, prepare an interim report, and  
20          draft any proposed legislation for submission to the legislature  
21          for its consideration in the 2012 regular session.



1 (h) If the task force's recommendations on starting the  
2 process to implement an update of the State Planning Act and the  
3 State's planning, programming, and budgeting system are approved  
4 by the legislature, on or after July 1, 2012, but in no case  
5 later than twenty days after that date, the task force shall  
6 reconvene to review the actions taken by the twenty-sixth  
7 legislature of the State of Hawaii 2012 regarding:

8 (1) The task force's recommendations and legislation  
9 submitted pursuant to this Act; and

10 (2) Any other amendments made to chapter 226, Hawaii  
11 Revised Statutes, or chapters of the Hawaii Revised  
12 Statutes relating to the State's planning,  
13 programming, and budgeting system.

14 Based on the actions of the legislature and any existing task  
15 force recommendations that were not acted upon by the  
16 legislature, amended recommendations, or new recommendations,  
17 the task force shall begin conducting public hearings on its  
18 recommendations regarding the updating of the State Planning Act  
19 and the implementation of the State's planning, programming, and  
20 budgeting system.

21 (i) At a minimum, the task force shall conduct a public  
22 hearing on the island of Oahu to solicit public comments on the



1 updates to the State Planning Act to be implemented; provided  
2 that:

3 (1) The public hearing shall be subject to the open  
4 meeting and public notice requirements of chapter 92,  
5 Hawaii Revised Statutes; and

6 (2) The task force shall provide public notice not less  
7 than seventy-two hours prior to the hearing, in  
8 accordance with section 1-28.5, Hawaii Revised  
9 Statutes; provided that notwithstanding any other  
10 provisions of chapter 92 or section 1-28.5, Hawaii  
11 Revised Statutes, the minimum time period for posting  
12 a public hearing notice shall be not less than  
13 seventy-two hours prior to the public hearing being  
14 noticed.

15 The task force may include a summary of comments received during  
16 the public hearing in its reports to the legislature pursuant to  
17 subsection (j).

18 (j) The task force shall annually submit a report of its  
19 findings and recommendations, including proposed legislation, to  
20 the legislature no later than twenty days prior to the convening  
21 of each regular session, beginning with the 2012 regular session  
22 and until the 2015 regular session.





1 (k) The task force shall cease to exist on June 30, 2015.

2 SECTION 3. This Act shall take effect on July 1, 2112.



**Report Title:**

Hawaii State Planning Act; Planning, Programming, and Budgeting System; Task Force

**Description:**

Establishes a task force to review and update the Hawaii state planning act and the planning, programming, and budgeting system. Requires annual reports to the legislature. Task force ceases to exist on 6/30/15. Effective 7/1/2112. (HD2 Proposed)

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



TESTIMONY BY KALBERT K. YOUNG  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON FINANCE  
ON  
HOUSE BILL NO. 1529, H.D. 1

March 2, 2011

RELATING TO PLANNING

House Bill No. 1529, H.D. 1, establishes a temporary task force within the Office of the Governor to update the Hawaii State Planning Act and the planning, programming, and budgeting system of the State. The task force would end on June 30, 2015.

The Department supports the general intent of reviewing and updating the Hawaii state planning act as well as the planning, programming, and budgeting systems within State government. Each of these areas could benefit from a current review and planning effort to update processes, systems and resources to make them more contemporary, time-efficient, effective, and/or expedient. The Department would be concerned that the availability of administrative resources within State departments may be currently slim or limited and therefore may not be able to provide the adequate and sufficient level of support that such an effort deserves. The Committee may want to consider what resources or appropriations would be necessary to truly undertake a worthwhile review and deliver a comprehensive report.

The Department would also point out that the current title of the bill "Relating to Planning" could be arguably too narrow for the larger scope of the measure which is to review planning, programming, and the budgeting system of the State. Although this may be a technicality, we would want to ensure that the value and need of a budgeting system review is not compromised with by the narrower title within the

legislative parameters of consistency between the title and subject of House Bill No. 1529, H.D. 1. The Department recognizes, and would suggest, that House Bill No. 1529, H.D. 1, may not be the most appropriate measure to include a review of the budget process.

The benefit of this measure is that it would bring both the legislative and executive branch together to jointly participate on improving State systems and processes. The Department would welcome the opportunity to participate in a review and planning effort to update or make the budgeting system within the State more contemporary with increased capacity and ease of use. If the concept can be incorporated in this effort, or if there is another task force being enacted by the legislature where the budget system can be appropriately included, the Department would be supportive of those efforts.



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**

NEIL ABERCROMBIE  
GOVERNOR  
RICHARD C. LIM  
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Statement of  
**JESSE K. SOUKI**  
Interim Director, Office of Planning  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON FINANCE**  
Wednesday, March 2, 2011  
1:00 PM  
State Capitol, Conference Room 308

in consideration of  
**HB 1529 HD1**  
**RELATING TO PLANNING.**

Chair Oshiro, Vice Chair Lee, and Members of the House Committee on Finance.

HIB 1529 HD 1 establishes a temporary task force in the Governor's Office to review and update the Hawaii State Planning Act and the planning, programming and budgeting system of the State. The Office of Planning and Department of Budget and Finance are to provide administrative, technical, professional and clerical support to the task force for matters pertaining to their areas.

The Administration agrees that we are long overdue for revitalizing the Hawaii State Planning Act (HRS Chapter 226) and that the lack of robust, disciplined, long-term planning may be having a negative impact on Hawaii's people—economically, environmentally, and socially. However, the State Office of Planning has been reduced dramatically both fiscally and in personnel; therefore, it does not have the resources to support a task force at this time. Notwithstanding these challenges, as the entity charged with effectuating the Hawaii State

Planning Act, the Office of Planning is currently evaluating what is required "to improve the planning process in this State, to increase the effectiveness of government and private actions, to improve coordination among different agencies and levels of government, to provide for wise use of Hawaii's resources and to guide the future development of the State." See HRS § 226-1.

Thank you for the opportunity to testify.