
HOUSE CONCURRENT RESOLUTION

REQUESTING THE OFFICE OF THE AUDITOR TO CONDUCT A STUDY
REGARDING SPECIAL FUNDS AND REVOLVING FUNDS.

1 WHEREAS, non-general funds, such as special, revolving,
2 federal, and trust funds, exist outside the State's main
3 financial account, or general fund; and
4

5 WHEREAS, nearly half of the State's operating budget is
6 contained in non-general funds, which affects the Legislature's
7 ability to direct spending; and
8

9 WHEREAS, the Legislature often "raids" money in special or
10 revolving funds as a way to access money when the general fund
11 has shortfalls; and
12

13 WHEREAS, these fund transfers lack a systematic and
14 structured review process which has resulted in serious
15 financial consequences to the State; and
16

17 WHEREAS, the Office of the Auditor issued a report in July
18 2012 outlining the pitfalls of the use of non-general funds for
19 State operating moneys; and
20

21 WHEREAS, many non-general funds have outlived their
22 usefulness and are not used properly; and
23

24 WHEREAS, the State must utilize all the moneys at its
25 disposal in an effective and efficient manner; and
26

27 WHEREAS, major financial concerns, such as the State's
28 unfunded liabilities, warrant a major re-assessment and overhaul
29 of non-general funds; and
30

31 WHEREAS, unfunded liabilities pose a serious financial
32 burden to the State and a study should be conducted to determine



H.C.R. NO. 180

1 which non-general funds are failing to effectuate the purpose
 2 for which they were originally intended and then to determine if
 3 such moneys can be applied toward the State's unfunded
 4 liabilities; now, therefore,
 5

6 BE IT RESOLVED by the House of Representatives of the
 7 Twenty-seventh Legislature of the State of Hawaii, Regular
 8 Session of 2013, the Senate concurring, that the Office of the
 9 Auditor is requested to conduct a study regarding special funds
 10 and revolving funds to:
 11

- 12 (1) Identify their inefficiencies and make recommendations
 13 for an effective monitoring process;
 14
- 15 (2) Identify specific special and revolving funds that do
 16 not meet or no longer meet their criteria for
 17 continuance set out in law;
 18
- 19 (3) Create a checklist for establishing funds and
 20 monitoring funds, including specifying regular review
 21 dates; and
 22
- 23 (4) Create a checklist of inefficient special or revolving
 24 funds that should be terminated and the moneys therein
 25 transferred to the general fund or used to reduce the
 26 State's unfunded liabilities; and
 27

28 BE IT FURTHER RESOLVED that the Office of the Auditor is
 29 requested to submit a report of its findings and
 30 recommendations, including any necessary proposed legislation,
 31 to the Legislature no later than twenty days before the Regular
 32 Session of 2014; and
 33

34 BE IT FURTHER RESOLVED that a certified copy of this
 35 Concurrent Resolution be transmitted to the Acting State
 36 Auditor.
 37

38
 39

Kal Nishida *Karen Auana* *Norman*
Dele A. Peltz

OFFERED BY: *Pony M. Smith*

Ricki L. Fitch *John M. Gagnier* *48th*
Tom Brown

Paul *Quinn*
Jeffrey *Holmes*

2.22 *Newton*



MAR 13 2013