
HOUSE 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
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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
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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
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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
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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
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21 WHEREAS, many non-general funds have outlived their
22 usefulness and are not used properly; and
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24 WHEREAS, the State must utilize all the moneys at its
25 disposal in an effective and efficient manner; and
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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
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31 WHEREAS, unfunded liabilities pose a serious financial
32 burden to the State and a study should be conducted to determine
33 which non-general funds are failing to effectuate the purpose
34 for which they were originally intended and then to determine if





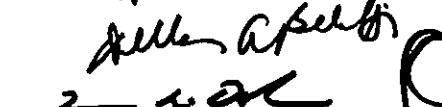
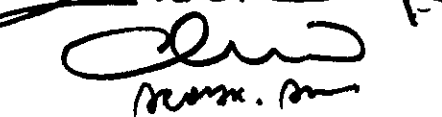
1 such moneys can be applied toward the State's unfunded
2 liabilities; now, therefore,

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



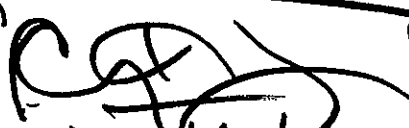
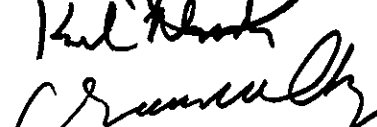
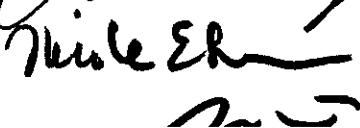
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- 9 (1) Identify their inefficiencies and make recommendations
- 10 for an effective monitoring process;
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- 12 (2) Identify specific special and revolving funds that do
- 13 not meet or no longer meet their criteria for
- 14 continuance set out in law;
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- 16 (3) Create a checklist for establishing funds and
- 17 monitoring funds, including specifying regular review
- 18 dates; and
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- 20 (4) Create a checklist of inefficient special or revolving
- 21 funds that should be terminated and the moneys therein
- 22 transferred to the general fund or used to reduce the
- 23 State's unfunded liabilities; and
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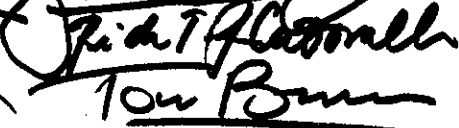
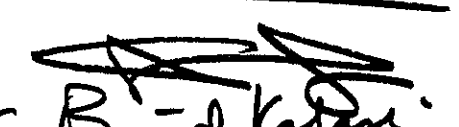
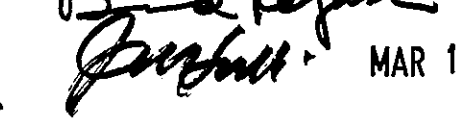
25 BE IT FURTHER RESOLVED that the Office of the Auditor is
26 requested to submit a report of its findings and
27 recommendations, including any necessary proposed legislation,
28 to the Legislature no later than twenty days before the Regular
29 Session of 2014; and

30
31 BE IT FURTHER RESOLVED that a certified copy of this
32 Resolution be transmitted to the Acting State Auditor.

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34
35

 2013-2461-2

 Kamehameha



OFFERED BY:




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MAR 13 2013