

JAN 24 2013

A BILL FOR AN ACT

RELATING TO STATE FINANCIAL ADMINISTRATION.

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

1 SECTION 1. Section 37-67, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "~~§~~37-67~~§~~ Responsibilities of the department of budget
4 and finance. The director of finance shall assist the governor
5 in the preparation, explanation and administration of the state
6 long-range plans, the proposed six-year program and financial
7 plan and the state budget. To this end, subject to this part,
8 the director shall:

9 (1) With the approval of the governor, develop procedures
10 and prescribe rules and regulations to guide such
11 state agencies as may be assigned by the director the
12 task of formulating and preparing the initial
13 proposals with respect to long-range plans, program
14 and financial plans, program budget requests, and
15 program performance reports and to assure the
16 availability of information needed for effective
17 policy decision-making~~[-]~~, including projected
18 operating costs for all capital improvements;



- 1 (2) Assist such state agencies in the formulation of
2 program objectives, preparation of program plans and
3 program budget requests, and reporting of program
4 performance[-];
- 5 (3) Coordinate, analyze, and revise, as necessary, the
6 program objectives, long-range plans, program and
7 financial plans, program budget requests, and program
8 performance reports, including projected operating
9 costs for all capital improvements that were initially
10 proposed or prepared by such state agencies and
11 develop the state comprehensive program and financial
12 plan, budget, and program performance report[-];
- 13 (4) Administer its responsibilities under the program
14 execution provisions of this part so that the policy
15 decisions and budget determinations of the governor
16 and the legislature are implemented to the fullest
17 extent possible within the concepts of proper
18 management[-];
- 19 (5) Investigate continuously the administration of the
20 various agencies for the purpose of advising the
21 governor and recommending to the governor, the
22 legislature, and the committees of the legislature



1 concerning the duties of the various positions in
2 these agencies, the methods of the agency, the
3 standards of efficiency therein, and changes which in
4 the director's judgment will produce greater
5 effectiveness of programs and economy in the conduct
6 of government programs, and assist in the preparation
7 of program and financial plans, budget requests, and
8 program performance reports[-]; and

9 (6) Provide the legislature and any member or committee of
10 either house of the legislature with [~~such~~] documents
11 and information, as may be requested, concerning the
12 programs, budget, and fiscal and management operations
13 of the State."

14 SECTION 2. Section 37-69, Hawaii Revised Statutes, is
15 amended by amending subsection (d) to read as follows:

16 "(d) The program plans for the ensuing six fiscal years
17 shall more specifically include:

18 (1) At the lowest level on the state program structure,
19 for each program:

20 (A) A statement of its objectives;

21 (B) Measures by which the effectiveness in attaining
22 the objectives is to be assessed;



- 1 (C) The level of effectiveness planned for each of
- 2 the ensuing six fiscal years;
- 3 (D) A brief description of the activities
- 4 encompassed;
- 5 (E) The program size indicators;
- 6 (F) The program size planned for each of the next six
- 7 fiscal years;
- 8 (G) A narrative explanation of the plans for the
- 9 program. It shall contain, and in general be
- 10 limited to, the following:
- 11 (i) A description of the kinds of activities
- 12 carried out or unusual technologies
- 13 employed;
- 14 (ii) A statement of key policies pursued;
- 15 (iii) Identification of important program or
- 16 organizational relationships involved;
- 17 (iv) A description of major external trends
- 18 affecting the program;
- 19 (v) A discussion of significant discrepancies
- 20 between previously planned cost,
- 21 effectiveness, and program size levels and
- 22 those actually achieved;



- 1 (vi) Comments on, and an interpretation of, cost,
2 effectiveness, and program size data over
3 the upcoming budget period, with special
4 attention devoted to changes from the
5 current budget period;
- 6 (vii) Comments on, and an interpretation of, cost,
7 effectiveness, and program size data over
8 the four years of the planning period and
9 how they relate to the corresponding data
10 for the budget period; and
- 11 (viii) A summary of the special analytic study,
12 program evaluation, or other analytic report
13 supporting a substantial change in the
14 program where such a major program change
15 recommendation has been made;
- 16 (H) The full cost implications of the recommended
17 programs, including projected operating costs for
18 all capital improvements, by cost categories and
19 cost elements, actually experienced in the last
20 completed fiscal year, estimated for the fiscal
21 year in progress, and estimated for each of the
22 next six fiscal years. The means of financing



1 shall be identified for each cost category. The
2 personal services cost element and the lease
3 payments cost element shall be shown separately;
4 the cost elements of other current expenses,
5 equipment, and motor vehicles may be combined.
6 The number of positions included in the program
7 shall be appropriately identified by means of
8 financing;

9 (I) A recapitulation of subparagraph (H) for the last
10 completed fiscal year, the fiscal year in
11 progress and each of the next six fiscal years,
12 by means of financing grouped under each cost
13 category. The number of positions included in
14 any program shall be appropriately identified;

15 (J) An identification of the revenues generated in
16 the last completed fiscal year and estimated to
17 be generated in the fiscal year in progress and
18 in each of the next six fiscal years, and the
19 fund into which such revenues are deposited;

20 (K) Details of implementation of each capital
21 improvement project included in the total program
22 cost, including:



- 1 (i) A description of the project, location, and
- 2 scope;
- 3 (ii) The initially estimated, currently
- 4 estimated, and final cost of the project,
- 5 including projected operating costs for all
- 6 capital improvements, by investment and
- 7 operating cost elements and by means of
- 8 financing;
- 9 (iii) The amounts previously appropriated by the
- 10 legislature for the project, by cost
- 11 elements and by means of financing specified
- 12 in the acts appropriating the sums, and an
- 13 identification of the acts so appropriating;
- 14 (iv) The costs incurred in the last completed
- 15 fiscal year and the estimated costs to be
- 16 incurred in the fiscal year in progress and
- 17 in each of the next six fiscal years, by
- 18 cost elements and by means of financing; and
- 19 (v) A commencement and completion schedule, by
- 20 month and year, of the various phases of the
- 21 capital improvement project (i.e., land
- 22 acquisition, design, construction, and



1 occupancy) as originally intended, as
2 currently estimated, and as actually
3 experienced; and

4 (L) A crosswalk of the program expenditures, by cost
5 categories and cost elements between the program
6 and expending agencies for the next two fiscal
7 years. The means of financing and the number of
8 positions included in the program costs to be
9 expended by each agency shall be specified; and

10 (2) Appropriate displays at every level of the state
11 program structure above the lowest level. The
12 displays shall include:

13 (A) A listing of all major groupings of programs
14 included within the level, together with the
15 objectives, measures of effectiveness, and
16 planned levels of effectiveness for each of the
17 ensuing six fiscal years for each such major
18 groupings of programs; and

19 (B) A summary of the total cost of each cost category
20 by the major groupings of programs encompassed
21 within the level, actual for the last completed
22 fiscal year and estimated for the fiscal year in



1 progress and for each of the next six fiscal
2 years."

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

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

6 INTRODUCED BY: *James Merando K*

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S.B. NO. 1298

Report Title:

Six-Year Program and Financial Plan; Operating Costs for Capital Improvements

Description:

Requires that projected operating costs of all capital improvements be included in the six-year program and financial plan.

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