

STAND. COM. REP. NO. 650

Honolulu, Hawaii

MAR 01 2013

RE: S.B. No. 795
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 795 entitled:

"A BILL FOR AN ACT RELATING TO STATE FINANCES,"

begs leave to report as follows:

The purpose and intent of this measure is to increase the transparency of the state budgeting process by requiring the preparation of a state comprehensive annual financial report, fiscal budget statements, and other financial reports.

Prior to the public hearing on this measure, your Committee circulated for review and comment a proposed S.D. 1.

The proposed S.D. 1 amended this measure by deleting its contents and replacing them with provisions that:

- (1) Establish an investigative unit within the Office of the Auditor to investigate waste, fraud, abuse, nonfeasance, and malfeasance of state finances;
- (2) Prescribe the circumstances under which an investigation may be initiated; and
- (3) Appropriate an unspecified amount to fund the investigative unit.



Your Committee received testimony in support of this measure from the Commission on Transportation, the Office of the Auditor, and six individuals.

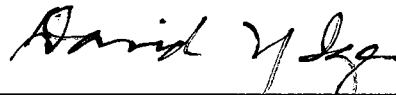
Your Committee finds that unlike many other states' auditor offices, the Office of the Auditor does not have a dedicated investigative unit. Authorizing the Auditor to establish an investigative unit, along with an appropriation of funds, will provide the Auditor with the authority and means to investigate alleged or suspected improper uses of state finances that are beyond the scope of audits currently performed by the Auditor.

Your Committee has further amended the proposed S.D. 1 by:

- (1) Changing the effective date to July 1, 2050, to encourage further discussion on the measure; and
- (2) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 795, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 795, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DAVID Y. IGE, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 795	Committee Referral: WAM	Date: 2-28-13		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.				✓
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
KAHELE, Gilbert				✓
KEITH-AGARAN, Gilbert S.C.				✓
KOUCHI, Ronald D.				✓
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.				✓
TOKUDA, Jill N.	✓			
SLOM, Sam				✓
TOTAL	7	0	0	6
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes