
A BILL FOR AN ACT

RELATING TO THE BUDGET.

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

1 SECTION 1. The legislature finds that public funds are
2 meant to further the public good and ensure that state
3 government operates efficiently and effectively. It is
4 imperative that state revenues be spent in a fiscally
5 responsible manner and that state agencies be held accountable
6 for their use of public funds.

7 The legislature further finds that the University of Hawaii
8 is exempt from certain budgetary oversights and controls, which
9 limits transparency and may cause difficulties in ensuring that
10 the university is properly accountable for its use of public
11 funds.

12 Consequently, the legislature finds and declares that the
13 manner in which the University of Hawaii manages the public
14 funds entrusted to it is a matter of statewide concern and
15 therefore under the legislature's purview pursuant to article X,
16 section 6 of the Hawaii state constitution.

17 Accordingly, the purpose of this Act is to:



- 1 (1) Expand the department of budget and finance's
2 authority to modify and withhold the university's
3 planned expenditures; and
- 4 (2) Require the university to receive legislative
5 authorization prior to any appropriation transfers or
6 changes between programs or agencies.

7 SECTION 2. Section 37-74, Hawaii Revised Statutes, is
8 amended by amending subsections (c) and (d) to read as follows:

9 "(c) The department of budget and finance shall:

- 10 (1) Review each operations plan to determine:
- 11 (A) That it is consistent with the policy decisions
12 of the governor and appropriations by the
13 legislature;
- 14 (B) That it reflects proper planning and efficient
15 management methods; and
- 16 (C) That appropriations have been made for the
17 planned purpose and will not be exhausted before
18 the end of the fiscal year;
- 19 provided that the department of budget and finance
20 shall review the operations plan submitted by the
21 University of Hawaii solely for consistency with the
22 allotment ceilings established by the governor under



1 section 37-34, appropriations by the legislature, the
2 requirements of chapter 37D, and the status of
3 revenues to support operations plans for all state
4 programs;

5 (2) Approve the operations plan if satisfied that it meets
6 the requirements under paragraph (1). Otherwise, the
7 department of budget and finance shall require
8 revision of the operations plan in whole or in part;
9 and

10 (3) Modify or withhold the planned expenditures at any
11 time during the appropriation period if the department
12 of budget and finance finds that the expenditures are
13 greater than those necessary to execute the programs
14 at the level authorized by the governor and the
15 legislature, or that state receipts and surpluses will
16 be insufficient to meet the authorized expenditure
17 levels [~~+, provided that the planned expenditures for~~
18 ~~the University of Hawaii may be modified or withheld~~
19 ~~only in accordance with sections 37-36 and 37-37].~~

20 (d) No appropriation transfers or changes between programs
21 or agencies shall be made without legislative authorization;
22 provided that:



- 1 (1) Authorized transfers or changes, when made, shall be
2 reported to the legislature;
- 3 (2) Except [~~with respect to appropriations to fund~~
4 ~~financing agreements under chapter 37D, the University~~
5 ~~of Hawaii shall have the flexibility to transfer~~
6 ~~appropriated funds and positions for the operating~~
7 ~~cost category among programs, among cost elements in a~~
8 ~~program, and between quarters, as applicable; except]~~
9 with respect to appropriations to fund financing
10 agreements under chapter 37D, the department of
11 education shall have the flexibility to transfer
12 appropriated funds and positions for the operating
13 cost category among programs and among cost elements
14 in a program, and between quarters, as applicable; and
15 the Hawaii health systems corporation and its regional
16 system boards shall have the flexibility to transfer
17 special fund appropriations among regional system
18 hospital facilities as applicable and as mutually
19 agreed to by the corporation and the respective
20 regional system board; provided that the Hawaii health
21 systems corporation and the regional system boards
22 shall maintain the integrity and services of each



1 individual regional system and shall not transfer
2 appropriations out of any regional system that would
3 result in a reduction of services offered by the
4 regional system, with due regard for statutory
5 requirements, changing conditions, the needs of the
6 programs, and the effective utilization of resources;
7 and

8 (3) The [~~university and the~~] department of education shall
9 account for each transfer implemented under this
10 subsection in quarterly reports to the governor and
11 annual reports at the end of each fiscal year to the
12 legislature and the governor, which shall be prepared
13 in the form and manner prescribed by the governor and
14 shall include information on the sources and uses of
15 the transfer."

16 SECTION 2. Statutory material to be repealed is bracketed
17 and stricken.

18 SECTION 3. This Act shall take effect on July 1, 2525.



Report Title:

University of Hawaii; Budget; Program Execution

Description:

Removes certain program execution exception provisions specific to the University of Hawaii. Effective July 1, 2525. (HB1491 HD1)

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

