

JAN 23 2014

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 the current
2 aggregate margin of the general fund expenditure ceiling does
3 not reflect the underlying economic and fiscal conditions of the
4 state. The original intent of the general fund expenditure
5 ceiling was to prevent the state from spending revenues faster
6 than the growth of the economy. The legislature recognizes there
7 has been insufficient funding allocated for the Employment
8 Retirement System and Employer Union Trust Fund in the past, and
9 the current aggregate general fund expenditure margin of \$1.6
10 billion for FY 2014 does not account for the state's combined
11 unfunded retirement benefit liability of \$22 billion. To account
12 for and minimize the effects of the failure to incorporate the
13 unfunded retirement liability when calculating the general fund
14 expenditure ceiling each year since 1978-1979, the legislature
15 realizes that a more stringent fiscal requirement and a current
16 adjustment is needed to ensure that state spending remains in
17 line with economic growth.

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1 SECTION 2. Section 37-91, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§37-91 Definitions. As used in sections 37-92 to 37-94:

4 "Expenditure ceiling" means the maximum general fund
5 appropriations allowed in any year. The expenditure ceiling
6 shall be determined by considering the fiscal year [~~1978-1979~~]
7 2013-2014 general fund appropriations as the expenditure
8 ceiling. The expenditure ceiling for succeeding fiscal years
9 shall be computed by adjusting the immediate prior fiscal year
10 expenditure ceiling by the applicable state growth. When
11 revisions are made to the total state personal income, the
12 expenditure ceiling shall be recalculated on the basis of the
13 latest available data, going back to fiscal year [~~1978-1979~~]
14 2013-2014.

15 "General fund" means the fund used to account for all
16 transactions which are not accounted for in another fund, but
17 excluding federal funds received by that fund.

18 "State growth" means the estimated rate of growth of the
19 State's economy and shall be established by averaging the annual
20 percentage change in total state personal income for the three
21 calendar years immediately preceding the fiscal year for which
22 appropriations from the state general fund are to be made. When



1 revisions are made to total state personal income, state growth
2 shall be recalculated on the basis of the latest available data.

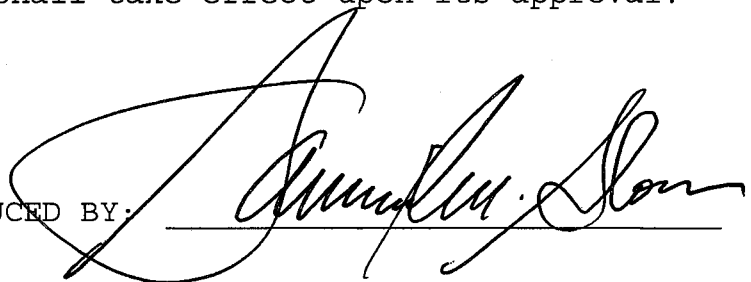
3 "Total state personal income" means the total state
4 personal income as defined by the state personal income series
5 published by the United States Department of Commerce, Social
6 and Economic Statistics Administration, Bureau of Economic
7 Analysis, or its successor, for each year for which such income
8 has been determined and published, including all revisions to
9 the series. For the current and next succeeding calendar year
10 for which such income has not been determined or published, it
11 shall mean the total state personal income for such year as
12 estimated by the council on revenues."

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

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

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INTRODUCED BY:



A large, stylized handwritten signature in black ink, appearing to read "Samuel L. Brown", is written over a horizontal line.



S.B. NO. 3072

Report Title:

Expenditure ceiling calculated

Description:

Provides for the expenditure ceiling to be calculated using 2013-2014 general fund appropriations total.

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

