

Honolulu, Hawaii

FEB 28 2013

RE: S.B. No. 190  
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. 190 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to enhance legislative scrutiny of special funds and revolving funds.

Specifically, this measure:

- (1) Amends criteria to be used by the Auditor in analyzing proposed and existing special or revolving funds;
- (2) Requires the Auditor periodically to review special funds, as well as revolving and trust funds, of designated agencies; and
- (3) Amends or repeals various special or revolving funds and transfers the balances of repealed funds to the general fund.

Prior to the hearing on Senate Bill No. 190, your Committee distributed a proposed Senate Draft 1. The proposed draft deleted provisions amending or repealing various special and revolving funds but retained the provisions relating to the criteria to be used in the review of proposed and existing special and revolving funds.



Your Committee received testimony in support of this measure from the Department of Budget and Finance and the Office of the Auditor.

The Hawaii Primary Case Association and ten individuals submitted testimony in opposition of this measure.

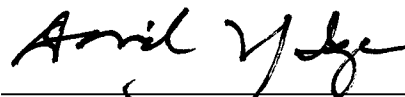
The Department of Health, Office of Hawaiian Affairs, High Technology Development Corporation, and Tax Foundation of Hawaii submitted written comments on this measure.

Your Committee finds special and revolving funds should only be used for their intended purposes and not for other programs. Accordingly, your Committee believes that this measure will provide more specific criteria for the Auditor's review of proposed new special and revolving funds, which will result in providing the Legislature with essential information relating to the appropriateness of the proposed special and revolving funds. Clarified criteria for establishing and continuing special and revolving funds will ensure that these funds are used appropriately.

Your Committee has amended this measure by adopting the proposed Senate Draft 1, with further technical nonsubstantive amendments made for the purposes of clarity, conformity, 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. 190, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 190, 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.:* <b>SB 190</b>	Committee Referral: <b>WAM</b>	Date: <b>2-12-13</b>		
<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	✓			
<b>TOTAL</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>3</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Michelle N. Kalani</div>				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report   Clerk's Office   Drafting Agency   Committee File Copy				

\*Only one measure per Record of Votes