

TESTIMONY BY KALBERT K. YOUNG  
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STATE OF HAWAII  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
SENATE BILL NO. 2277

February 19, 2014

RELATING TO GOVERNMENT

Senate Bill No. 2277 proposes to amend Chapter 26, Executive and Administrative Departments, HRS, to require a State agency which is required to report to the Legislature to provide written notice to the Legislature when a reporting deadline cannot be met and, if an appropriation was made to assist the State agency with the report, to allow the Legislature to reduce the State agency's budget the following fiscal year by the appropriated amount. Additionally, State agencies would be required to provide a report to the Legislature of all reports due to the Legislature one week prior to their due dates.

The Department of Budget and Finance offers these comments. State agencies are required to submit reports to the Legislature pursuant to relevant statutes, budget bill provisions, and specific legislation. Generally, State agencies make conscientious attempts to complete these reports in a timely manner. This bill would require yet another level of reporting which will add to the workload of staff which are, in many cases, already stretched thin.

There are many reasons why departments or agencies are unable to make a reporting deadline. For example, since 2008 the reality is that many State agencies have been working at reduced staffing levels for years and it is often difficult to

complete these reports, which may be quite detailed and time-consuming, while maintaining day-to-day operations. Additionally, the historical knowledge of the reporting requirements may sometimes be lost as staffing changes are made. As reporting requirements may change from year to year, such as those found in the budget provisions, it may be difficult to keep track of the current requirements and, thus, provide the required appropriate report to the Legislature without staff dedicated to this effort.

This bill would provide the Legislature with the authority to reduce the budget of a State agency which was provided a prior fiscal year appropriation to assist with reporting requirements but bear in mind that this would statutorily allow the Legislature to reduce an agency's budget by the appropriation amount even if, for example, the appropriation had been encumbered or expended or the report had been completed and, perhaps, submitted late. Further, the agency's base budget could be reduced, as the additional appropriation would no longer be included, without regard to the impact on agency operations.