
A BILL FOR AN ACT

RELATING TO THE BUDGET.

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

1 SECTION 1. Chapter 37, Hawaii Revised Statutes, is amended
2 by adding a new section to be appropriately designated and to
3 read as follows:

4 "§37- Non-general fund accounts; master list; annual
5 report to the legislature. At least once per fiscal year, the
6 director of finance shall submit to the legislature:

7 (1) A master list of all non-general fund accounts, which
8 shall include but not be limited to the following:

9 (A) The name of the fund and a cite to the law
10 authorizing the fund; and

11 (B) The balance of the fund at the beginning of the
12 fiscal year; and

13 (2) A clear and concise statement indicating whether each
14 department or agency is in compliance with the
15 reporting requirements of section 37-52.5, and, for
16 the University of Hawaii with section 304A-2007."



1 SECTION 2. Section 37-74, Hawaii Revised Statutes, is
2 amended by amending subsections (b) through (d) to read as
3 follows:

4 "(b) The appropriations by the legislature for a biennium
5 shall be allocated between the two fiscal years of the biennium
6 in the manner provided in the budget or appropriations act and
7 as further prescribed by the director of finance. The amounts
8 allocated for each fiscal year shall be subject to the allotment
9 system prescribed in chapter 37, part II. Each agency (except
10 the courts), in estimating its quarterly requirements under
11 chapter 37, part II, shall prepare a plan for the fiscal year
12 for the operation of each of the programs it is responsible for
13 administering. The operations plan shall be in such form and
14 content as the department of budget and finance may
15 prescribe[-]; provided that the operations plan shall indicate
16 whether the agency is in compliance with the reporting
17 requirements of section 37-52.5, and, for the University of
18 Hawaii with section 304A-2007. It shall be submitted, together
19 with the estimated quarterly requirements, to the department of
20 budget and finance on such date as the department may prescribe.

21 (c) The department of budget and finance shall:



- 1 (1) Review each operations plan to determine:
- 2 (A) That it is consistent with the policy decisions
- 3 of the governor and appropriations by the
- 4 legislature;
- 5 (B) That it reflects proper planning and efficient
- 6 management methods; ~~[and]~~
- 7 (C) That appropriations have been made for the
- 8 planned purpose and will not be exhausted before
- 9 the end of the fiscal year;
- 10 ~~[provided that the department of budget and~~
- 11 ~~finance shall review the operations plan~~
- 12 ~~submitted by the University of Hawaii solely for~~
- 13 ~~consistency with the allotment ceilings~~
- 14 ~~established by the governor under section 37-34,~~
- 15 ~~appropriations by the legislature, the~~
- 16 ~~requirements of chapter 37D, and the status of~~
- 17 ~~revenues to support operations plans for all~~
- 18 ~~state programs,] and~~
- 19 (D) That the agency is in compliance with the
- 20 reporting requirements of section 37-52.5, and,



1 for the University of Hawaii with section 304A-
2 2007;

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

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

18 (d) No appropriation transfers or changes between programs
19 or agencies shall be made without legislative authorization;
20 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



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

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

17 SECTION 3. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.



H.B. NO. 542

1 SECTION 4. This Act shall take effect on July 1, 2015.

2

INTRODUCED BY:

[Handwritten signature]
[Handwritten signature] - *[Handwritten signature]*
[Handwritten signature]
[Handwritten signature]
[Handwritten signature]

JAN 23 2015



H.B. NO. 542

Report Title:

Budget; Program Execution; Exceptions; Repeal; Reporting

Description:

Removes program execution exceptions provisions that are specific to the University of Hawaii. Establishes fund reporting requirements for all departments.

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

