



**TESTIMONY OF JAN K. YAMANE, ACTING STATE AUDITOR,
ON SENATE BILL NO. 2551, HD1,
RELATING TO NON-GENERAL FUNDS**

House Committee on Finance

April 1, 2016

Chair Luke and Members of the Committee:

Thank you for the opportunity to testify in support of this bill. SB 2551, HD1, would require the Judiciary to submit information on all non-general funds it manages.

In 2015, we reviewed the non-general funds of the Judiciary (Report No. 15-16) and concluded that the Judiciary submits annual reports of special and revolving funds, but does not submit such reports for all statutorily and administratively created trust funds and trust accounts because the Judiciary is specifically exempt under Section 37-52.5, HRS. However, we noted that annual reporting of each non-general fund account is the primary means through which legislative money committees can track the Judiciary's non-general funds, thus underscoring the importance of this reporting function. We suggest amendments to the HD1 to specifically include the Judiciary under Section 37-52.5, HRS, because the Judiciary is not a department or agency, but a separate branch of government. A copy of the bill noting such changes is attached for your consideration.

Thank you again for the opportunity to testify in support of SB 2551, HD1. I am available to answer any questions you may have.

A BILL FOR AN ACT

RELATING TO NON-GENERAL FUNDS.

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

1 SECTION 1. The legislature finds that the judiciary should
2 report to the legislature on all non-general funds managed by
3 the judiciary, including administratively established accounts
4 and funds. The legislature finds it is necessary to be informed
5 of the total fiscal situation of the State to make sound
6 budgetary decisions.

7 The purpose of this Act is to require the judiciary to
8 report annually to the legislature on accounts and funds that
9 are administratively established and managed by the judiciary.
10 This Act deletes an exemption for the judiciary in section 37-
11 52.5, Hawaii Revised Statutes, and thereby subjects the
12 judiciary to the same reporting requirements on these accounts
13 and funds as the executive branch departments.

14 SECTION 2. Section 37-52.5, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "§37-52.5 Criteria for the establishment and continuance
17 of administratively established accounts and funds. (a)



The Judiciary and any

1 ~~[Except for the judiciary, any]~~ [Any] department or agency that
2 administratively establishes any new account or fund, within
3 thirty working days of its establishment, shall transmit a
4 report to the legislature. The report to the legislature shall
5 include:

- 6 (1) The justification for the establishment of the account
7 or fund; and
- 8 (2) The sources of revenue for the fund.

The judiciary and each

9 (b) ~~[Except for the judiciary, each]~~ [Each] department or
10 agency, at least twenty days prior to the convening of each
11 regular session, shall submit a report to the legislature. The
12 report shall include:

- 13 (1) A list of all administratively established accounts or
14 funds; and
- 15 (2) All revenues, expenditures, encumbrances, and ending
16 balances of each account or fund."

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

19 SECTION 4. This Act shall take effect on July 1, 2016.



S.B. NO. 2551
H.D. 1

Report Title:

Judiciary; Administratively Created Accounts or Funds; Report

Description:

Requires the Judiciary to submit an annual report to the Legislature on the Judiciary's management of administratively created accounts or funds. (SB2551 HD1)

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

SB2551 HD1 HMS 2016-2846





The Judiciary, State of Hawai'i

Testimony to the House Committee on Finance

Representative Sylvia Luke, Chair

Representative Scott Y. Nishimoto, Vice Chair

Friday, April 1, 2016, 11:00 a.m.
State Capitol, Conference Room 308

by

Rodney A. Maile

Administrative Director of the Courts

WRITTEN TESTIMONY ONLY

Bill No. and Title: Senate Bill No. 2551, H.D. 1, Relating to Non-General Funds.

Purpose: Requires the Judiciary to submit an annual report to the Legislature on the Judiciary's management of administratively created accounts or funds.

Judiciary's Position:

The Judiciary supports the intent of Senate Bill No. 2551, H.D.1 that requires the Judiciary to follow the same reporting requirements as the Executive Branch departments in the reporting of non-general funds to the Legislature.

Thank you for the opportunity to testify on this bill.