

Honolulu, Hawaii

APR 28 2017

RE: S.B. No. 712
H.D. 1
C.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 712, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE VARIANCE REPORT,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to require the inclusion of additional information in the variance report submitted annually by the Governor to the Legislature to allow the Legislature to better align its budget decisions with the actual needs and expenditures of the executive departments.

More specifically, this measure requires the following information to be included in the variance report submitted to the Legislature before each Regular Session, commencing with the Regular Session of 2019:

- (1) Means of financing information and cost element breakdowns in comparison of:



- (A) Budgeted appropriations and actual expenditures; and
 - (B) Position ceiling and filled positions; and
- (2) A summary by department of:
- (A) Cost element breakdowns of expenditures; and
 - (B) The position ceiling in comparison to total positions filled.

Your Committee on Conference finds that the variance report submitted annually by the Governor to the Legislature generally includes only a summary of budgeted appropriations and actual expenditures. Your Committee on Conference further finds that consideration should be given to whether requiring additional information in the variance report would be helpful for the Legislature to better monitor the actual budgetary performances of the departments.

Your Committee on Conference has amended this measure by:

- (1) Deleting language requiring additional information to be included in the variance report submitted annually to the Legislature;
- (2) Requiring instead that the Governor submit to the Legislature, prior to the Regular Session of 2019, summarized comparisons by executive department of:
 - (A) Total budgeted and actual expenditures for fiscal year 2017-2018 and total budgeted and estimated expenditures for fiscal year 2018-2019; and
 - (B) The position ceiling and positions filled for fiscal year 2017-2018 and the position ceiling and positions estimated to be filled for fiscal year 2018-2019;
- (3) Requiring the Governor to recommend to the Legislature whether similar information to that required by this measure should be included in future variance reports;
- (4) Requiring that the information and recommendation required by paragraphs (2) and (3) be submitted with the variance



report submitted to the Legislature prior to the Regular Session of 2019;


- (5) Changing the effective date to July 1, 2018; and
- (6) Making technical nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 712, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 712, H.D. 1, C.D. 1.


Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



SYLVIA LUKE
Chair



JILL N. TOKUDA
Chair



Hawaii State Legislature

Record of Votes of a Conference Committee

JS

Bill / Concurrent Resolution No.: SB 722, SD 1, HD 1	Date/Time: 4/21/17 @ 2:11 PM
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The recommendation of the House and Senate managers is to pass with amendments (CD).

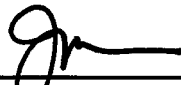
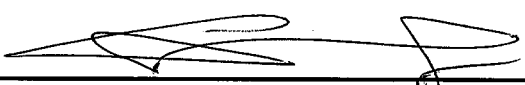
The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
TOKUDA, Jill N., Chr.	/				LUKE, Sylvia, Chr.	/			
ENGLISH, J. Kalani	/				CULLEN, Ty J.K.	/			
GALUTERIA, Brickwood	/				TUPOLA, Andria P.L.				/
TOTAL	3				TOTAL	2			1

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: <div style="text-align: center; margin-top: 10px;"></div>	House Lead Chair's or Designee's Signature: <div style="text-align: center; margin-top: 10px;"></div>
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