

Honolulu, Hawaii

April 5, 2017

RE: S.B. No. 724
H.D. 1

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 724
entitled:

"A BILL FOR AN ACT RELATING TO NON-DISCRETIONARY COSTS,"

begs leave to report as follows:

The purpose of this measure is to require the Department of
Budget and Finance to issue annual reports on non-discretionary
costs for the purpose of providing indicators to the Legislature
of the budgetary situation of the State.

Specifically, this measure establishes reporting requirements
concerning the following general fund costs:

- (1) Debt service for general obligation bonds;
- (2) Medicaid service costs; and
- (3) Employer contributions for pension, retirement, and
health benefits for state employees and retirees.

The Department of Budget and Finance provided comments.



Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2030, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 724, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 724, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



SYLVIA LUKE, Chair



