

"[CHAPTER 21F]
LEGISLATIVE FISCAL AND BUDGET ANALYSIS

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" **[\$21F-1] Purpose.** The legislature finds that most states have a separate fiscal policy office in the legislative branch that works effectively to provide the legislature with necessary revenue and expenditure data and analyses from which economic and fiscal policies are developed. In Hawaii, the legislature relies on the economic and fiscal analyses of the executive branch and private sector. The legislature believes that this dependency creates an inherent conflict of interest that precludes the legislature from operating independently.

Modern legislatures have become sophisticated data gatherers and analysts, on par with the executive and judiciary branches. Over the last five years, this shift has been accelerated through the development of professional, highly specialized legislative staff.

Since Hawaii's legislature meets for only four months of the year, it has come to rely heavily on the use of session-only legislative staff or employees on loan from the executive branch. In 1988, the state house and senate together employed six hundred twenty-one session staff members as compared to one hundred fifty-one permanent employees. Only New York, the state with the most legislative staff in the country, had more session staff than Hawaii.

The purpose of this chapter is to establish a permanent legislative committee to provide the legislature with information, facts, and analyses concerning fiscal, budgetary, and tax matters of the State. It is the legislature's intent that the committee, with the assistance of the office of the legislative analyst, shall perform independent, in-depth analysis of the State's budget, revenues and expenditures, economic conditions, and tax policies. [L 1990, c 347, pt of §2]

" **[\$21F-2] Definitions.** As used in this chapter, unless the context requires otherwise:

"Committee" means the joint legislative budget committee.

"House" means the state house of representatives.

"Office" means the office of the legislative analyst.

"Senate" means the state senate. [L 1990, c 347, pt of §2]

" **[\$21F-3] Joint legislative budget committee established; purpose.** The joint legislative budget committee is hereby established. The committee shall ascertain facts and make recommendations to the legislature and to the houses thereof concerning: the state budget; the revenues and expenditures of the State; the organization and functions of the State, its departments, subdivisions, and agencies; and other matters as may be provided for in the rules of the senate and the rules of

the house. The committee shall have a continuing existence and may meet, act, and conduct its business at any place within this State, during the sessions of the legislature or any recess, and in the interim period between sessions. [L 1990, c 347, pt of §2]

" **[\$21F-4] Selection of members; co-chairpersons; filling vacancies.** The committee shall consist of five members of the senate and five members of the house who shall be selected in the manner provided for in the rules of the senate and the rules of the house. The president of the senate and the speaker of the house shall select the members of the committee, including members of the majority leadership, members of the minority leadership, the chairperson of the senate ways and means committee, and the chairperson of the house finance committee. The chairperson of the senate ways and means committee and the chairperson of the house finance committee shall serve as co-chairpersons of the committee. Vacancies occurring in the membership of the committee shall be filled in the manner provided for in the rules of the senate and the rules of the house. A vacancy shall be deemed to exist as to any member of the committee whose term is expiring whenever the member is not reelected at the general election. [L 1990, c 347, pt of §2]

" **[\$21F-5] Rules.** The committee is authorized to adopt rules governing its own proceedings and to create subcommittees from its membership and assign to the subcommittees any study, inquiry, investigation, or hearing that the committee itself has authority to undertake or hold. [L 1990, c 347, pt of §2]

" **[\$21F-6] Office of the legislative analyst established.**
(a) There is established the office of the legislative analyst to be administered by the committee. The committee shall appoint a legislative analyst who shall serve for a period of four years. The committee, by a three-fourths vote of its members, may remove the legislative analyst from office, but only for cause. The committee shall fix the salary of the legislative analyst.

(b) The legislative analyst may employ other clerical and technical employees as may be necessary to carry out the functions of the office. The legislative analyst and other clerical and technical employees shall be entitled to participate in any employee benefit program plan or privilege generally available to state employees. [L 1990, c 347, pt of §2]

" **[§21F-7] General purposes of analyst.** (a) The purpose of the office of the legislative analyst shall be:

- (1) To provide the legislature with research and analysis of current and projected state revenues and expenditures;
- (2) To provide the legislature with a report analyzing the governor's proposed levels of revenue and expenditures for biennial budgets submitted under chapter 37 as well as other supplemental budget submittals to the legislature by the governor;
- (3) To provide an analysis of the impact of the governor's proposed revenue and expenditure plans for the next biennium;
- (4) To conduct research matters of economic and fiscal policy and to report to the legislature on the result of the research;
- (5) To provide economic reports and studies on the state of the State's economy, including trends and forecasts for consideration by the legislature;
- (6) To conduct budget and tax studies and provide general fiscal and budgetary information;
- (7) To review and make recommendations on the operation of state programs in order to appraise the implementation of state laws regarding the expenditure of funds and to recommend means of improving their efficiency; and
- (8) To recommend to the legislature changes in the mix of revenue sources for programs, in the percentage of state expenditures devoted to major programs, and in the role of the legislature in overseeing state government expenditures and revenue projections.

(b) In performing the duties under subsection (a), the legislative analyst shall consider, among other things:

- (1) The relative dependence on state tax revenues, federal funds, and user fees to support state-funded programs, and whether the existing mix of revenue sources is appropriate, given the purposes of the programs;
- (2) The relative percentages of state expenditures that are devoted to major programs such as education, assistance to local government, aid to individuals, state agencies and institutions, and debt service; and
- (3) The role of the legislature in overseeing state government expenditures, including legislative appropriation of money from the general fund, legislative appropriation of money from funds other than the general fund, state agency receipt of money into revolving and other dedicated funds and expenditure of money from these funds, and state

agency expenditure of federal funds. [L 1990, c 347,
pt of §2]

Revision Note

Subsection (a) designation added.

" **[\$21F-8] Agencies to cooperate.** All departments, agencies, and education institutions of the executive and judicial branches, the office of Hawaiian affairs, and the University of Hawaii shall comply with requests of the office of the legislative analyst for information, data, estimates, and statistics on the funding revenue operations, and other affairs of the department, agency, education institution, the office of Hawaiian affairs, or University of Hawaii. The comptroller, the director of finance, the director of taxation, the administrative director of the courts, the administrator of the office of Hawaiian affairs, and the president of the University of Hawaii shall provide the office of the legislative analyst with full and free access to information, data, estimates, and statistics in the possession of their respective departments on the state budget, revenue, expenditures, and tax revenue and expenditures. [L 1990, c 347, pt of §2]