# A BILL FOR AN ACT

RELATING TO THE UNIVERSITY OF HAWAII.

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

1 SECTION 1. The legislature finds that Act 115, Session 2 Laws of Hawaii 1998, was enacted in response to the economic revitalization task force's principal recommendation to provide 3 4 greater autonomy to the University of Hawaii to allow the 5 university to fulfill their constitutional role and 6 administration of its constitutionally-designated assets and public trust undertakings. Unlike most state agencies, the 7 8 University of Hawaii has the authority to transfer appropriated funds and positions among programs and between fiscal quarters 9 10 without legislative authorization. The university is currently 11 required to account for these transfers in fiscal year-end 12 reports to the legislature.

13 The legislature further finds that as a matter of statewide 14 concern, the university's financial flexibility should be 15 transparent and subject to more frequent reporting requirements 16 for legislative oversight.

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1 The purpose of this Act is to require the University of 2 Hawaii to report these types of transfers to the legislature 3 within thirty days for transparency and oversight of the 4 university. SECTION 2. Section 37-74, Hawaii Revised Statutes, is 5 6 amended by amending subsection (d) to read as follows: 7 "(d) No appropriation transfers or changes between 8 programs or agencies shall be made without legislative 9 authorization; provided that: 10 (1) Authorized transfers or changes, when made, shall be 11 reported to the legislature; 12 (2) Except with respect to appropriations to fund 13 financing agreements under chapter 37D, the University 14 of Hawaii may transfer appropriated funds and 15 positions for the operating cost category among 16 programs, among cost elements in a program, and 17 between quarters, as applicable; except with respect 18 to appropriations to fund financing agreements under 19 chapter 37D, the department of education may transfer 20 appropriated funds and positions for the operating 21 cost category among programs and among cost elements

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1 in a program, and between quarters, as applicable; and the Hawaii health systems corporation and its regional 2 3 system boards may transfer special fund appropriations 4 among regional system hospital facilities as 5 applicable and as mutually agreed to by the 6 corporation and the respective regional system board; 7 provided that the Hawaii health systems corporation 8 and the regional system boards shall maintain the 9 integrity and services of each individual regional 10 system and shall not transfer appropriations out of any regional system that would result in a reduction 11 12 of services offered by the regional system, with due 13 regard for statutory requirements, changing conditions, the needs of the programs, and the 14 15 effective utilization of resources; [and] The university and the department of education shall 16 (3) 17 account for each transfer implemented under this 18 subsection in quarterly reports to the governor and 19 annual reports at the end of each fiscal year to the legislature and the governor, which shall be prepared 20 21 in the form and manner prescribed by the governor and



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1		shall include information on the sources and uses of
2		the transfer[-]; and
3	(4)	The university shall submit a report to the
4		legislature for each transfer implemented under this
5		subsection within thirty days of the transfer."
6	SECT	ION 3. Statutory material to be repealed is bracketed
7	and stricken. New statutory material is underscored.	
8	SECTI	ION 4. This Act shall take effect on May 12, 2050.
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**Report Title:** Government; Budget; University of Hawaii

**Description:** Requires the University of Hawaii to submit a report to the legislature within thirty days of each appropriation transfer or changes between programs. Takes effect 5/12/2050. (SD1)

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