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WRITTEN ONLY
TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 1507, H.D. 1

February 23, 2017
11:00 a.m.
Room 308

RELATING TO CROSSWALKS

House Bill No. 1507, H.D. 1, establishes a Community Crosswalks Special Fund, administered by the Department of Transportation (DOT), for the Community Crosswalks Pilot Program to design and implement specially painted crosswalks in neighborhoods in collaboration with the appropriate county departments and agencies. This bill proposes to designate a crosswalk within the Waipahu School Complex Area for the pilot program. The Community Crosswalks Special Fund shall be abolished on June 30, 2019, and all unencumbered balances shall lapse to the general fund.

This bill appropriates an unspecified amount of general funds, safe routes to school program special funds, and the Community Crosswalks Pilot Program Special Fund for the pilot program. There appears to be a discrepancy in the title of the special fund, as Section 1, Part (e), establishes the "community crosswalks special fund," while Sections 3, 4 and 5 references the "community crosswalks pilot program special fund."

The Department of Budget and Finance, as a matter of general policy, does not support the creation of any special fund which does not meet the requirements of

Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. In regards to House Bill No. 1507, H.D. 1, it is difficult to determine if the proposed special fund would be self-sustaining.

Thank you for your consideration of our comments.