

JAN 18 2019

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## A BILL FOR AN ACT

RELATING TO THE UNIVERSITY OF HAWAII BUDGET.

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

1           SECTION 1. (a) The University of Hawaii shall prepare the  
2 proposed budget for each fiscal year, beginning with the 2020-  
3 2021 fiscal year until the 2026-2027 fiscal year, for submittal  
4 to the legislature in accordance with zero-based budgeting  
5 principles. The budget planning process may begin on July 1 of  
6 each year, and shall include the following:

- 7           (1) Identification and description of each program  
8           activity;
- 9           (2) Statement of objectives of each program activity and  
10           output;
- 11           (3) Evaluation and ranking of program activities on the  
12           basis of a cost-benefit analysis, and allocation of  
13           resources to program activities accordingly; and
- 14           (4) Identification of effects of each funding level on  
15           personnel requirements.

16           (b) In preparing the proposed budget, zero-based budgeting  
17 principles shall be applied to all University of Hawaii



# S.B. NO. 499

1 programs, including system-wide and campus-level administration  
2 and services, all colleges and associated programs, and research  
3 programs.

4 (c) For the purposes of this Act, "zero-based budgeting"  
5 means a budgeting system that starts from "zero" each fiscal  
6 year. Each budget item shall be justified on the basis of cost-  
7 benefit analysis, and assumes that no present commitment exists  
8 and that there is no balance carried forward.

9 (d) All information developed for zero-based budgeting for  
10 the proposed budget shall be made available to the auditor,  
11 director of finance, and the chairpersons of the fiscal  
12 committees of the senate and house of representatives.

13 SECTION 2. This Act shall take effect upon its approval.

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INTRODUCED BY:

*Anna Mercado K.*

*[Handwritten signatures]*



# S.B. NO. 499

**Report Title:**

University of Hawaii; Zero-based Budget

**Description:**

Requires the University of Hawaii to use zero-based budgeting principles in formatting the budget for fiscal years from the 2020-2021 fiscal year to the 2026-2027 fiscal year.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

