

Honolulu, Hawaii

FEB 12 2020

RE: S.B. No. 2492
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Government Operations, to which was referred S.B. No. 2492 entitled:

"A BILL FOR AN ACT RELATING TO MANAGEMENT OF FINANCING AGREEMENTS,"

begs leave to report as follows:

The purpose and intent of this measure is to require a legislative appropriation of funds before a department is authorized to enter into financing agreements.

Your Committee received testimony in support of this measure from Protect Our Ala Wai Watersheds, EMCC Hawaii, and thirteen individuals. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that a certain amount of flexibility is needed for departments to fund projects within their jurisdiction such as in the case of standard purchases of real or personal property. Your Committee further finds that a state agency's need for agility in entering financing agreements should be balanced against the importance of legislative oversight by way of appropriating funds. To balance these interests, your Committee finds that projects exceeding \$5,000,000 in cost should require the appropriation of funds prior to the state agency entering into a finance agreement for the project and that this condition should



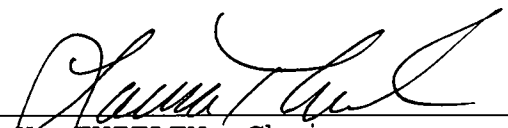
not be circumvented by seeking incremental financing for the same project or parceling.

Your Committee has amended this measure by:

- (1) Permitting state agencies to enter into financing agreements for projects with a cumulative total cost of \$5,000,000 or less without first securing a legislative appropriation;
- (2) Clarifying that the \$5,000,000 cap includes any incremental costs related to the same project; and
- (3) Adding a provision prohibiting the parceling of such projects for the purpose of circumventing the cap.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2492, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2492, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Government
Operations,



LAURA H. THIELEN, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Government Operations
GVO

Bill / Resolution No.:* <i>SB2492</i>	Committee Referral: <i>GVO, WAM</i>	Date: <i>01/28/2020</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
THIELEN, Laura H. (C)	✓			
INOUYE, Lorraine R. (VC)	✓			
BAKER, Rosalyn H.	✓			
KANUHA, Dru Mamo	✓			
FEVELLA, Kurt	✓			
TOTAL	<i>5</i>			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;"> <i>Lorraine R. Inouye</i> </div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes