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# A BILL FOR AN ACT

RELATING TO FUNDING ADJUSTMENTS FOR STATE PROGRAMS.

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

1           SECTION 1. This Act is recommended by the governor for  
2 immediate passage in accordance with section 9 of article VII of  
3 the Constitution of the State of Hawaii.

4           SECTION 2. In prior years, the respective budget acts  
5 contained a budget proviso such as section 72, Act 88, Session  
6 Laws of Hawaii 2021, the General Appropriations Act of 2001,  
7 which permitted departments to transfer funds between their  
8 programs provided that the legislature was informed of such  
9 transfers. However, section 8 of Act 248, Session Laws of  
10 Hawaii 2022, the Supplemental Appropriations Act of 2022,  
11 repealed section 72. Consequently, although funds were  
12 appropriated to various state departments for their operating  
13 programs for fiscal year 2022-2023, the repeal of section 72 has  
14 caused a critical funding emergency by limiting the ability of  
15 departments to transfer funds between their programs to address  
16 changing conditions.

17           The purposes of this Act are to address the repeal of  
18 section 72 by appropriating additional general funds as

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1 emergency appropriations for fiscal year 2022-2023 for operating  
2 shortfalls in quarter 4 funding for existing programs and to  
3 adjust funding for various programs to be commensurate with  
4 their anticipated level of activity. The emergency  
5 appropriations and the funding adjustments made in this Act are  
6 budget neutral.

7 SECTION 3. Act 88, Session Laws of Hawaii 2021, as amended  
8 by Act 248, Session Laws of Hawaii 2022, is amended as follows:

9 (1) By adding new sections to read as follows:

10 "SECTION . The following sums or so much thereof as may  
11 be necessary for fiscal year 2022-2023 are appropriated out of  
12 the general revenues of the State of Hawaii to the following  
13 programs within the department of \_\_\_\_\_ for the  
14 purpose of continuing existing programs and operations.

15 PROGRAM AMOUNT  
16 \_\_\_\_\_"

17 (2) By amending sections and appropriations to read as  
18 follows:

19 "SECTION . Of the appropriations out of the general  
20 revenues of the State of Hawaii to the following programs within  
21 the department of \_\_\_\_\_, the following amounts are  
22 reduced.

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1 PROGRAM

AMOUNT

2 \_\_\_\_\_

\_\_\_\_\_ "

3 SECTION 4. This Act shall take effect upon its approval.

4

5 INTRODUCED BY: \_\_\_\_\_



6

BY REQUEST

**JAN 23 2023**

H .B. NO. 1023

**Report Title:**

Funds; Appropriations

**Description:**

Appropriates general funds to various programs due to anticipated operating shortfalls due to the limited ability for departments to transfer funds between programs.

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

JUSTIFICATION SHEET

H.B. No. 1023

DEPARTMENT: Budget and Finance

TITLE: A BILL FOR AN ACT RELATING TO FUNDING  
ADJUSTMENTS FOR STATE PROGRAMS.

PURPOSE: To provide general fund appropriations to various departments to meet operating budget shortfalls due to the limited ability to transfer funds between programs within the same department and to make related general fund reductions to offset aforementioned additions.

MEANS: Amend Act 88, Session Laws of Hawaii (SLH) 2021, as amended by Act 248, SLH 2022.

JUSTIFICATION: Act 88, SLH 2021, as amended by Act 248, SLH 2022, did not contain boilerplate provisions that are generally included in the Statewide Appropriations Act which provide the Governor with authority to transfer funds for operating purposes. This authority was previously used by the Governor to address program shortfalls within departments. Because this authority was removed, it is expected that several programs will face operating budget shortfalls.

Impact on the public: This bill provides a way for departments to address operating budget shortfalls due to the limited ability to transfer funds. This will ensure continued departmental services and operations which serve the public good.

Impact on the department and other agencies: This bill will benefit the departments that require funds to meet operating shortfalls.

GENERAL FUND: Undetermined.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: Various.

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OTHER AFFECTED  
AGENCIES:

Departments that require emergency appropriation to address operating shortfalls that were previously addressed through the transfer of funds.

EFFECTIVE DATE: Upon approval.