

STAND. COM. REP. NO. **3268**

Honolulu, Hawaii

MAR 22 2024

RE: H.B. No. 2238
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Government Operations, to which was referred H.B. No. 2238, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO NON-GENERAL FUNDS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Reclassify certain non-general funds of the Department of Accounting and General Services, pursuant to the recommendations made by the Auditor in Auditor's Report No. 23-17; and
- (2) Transfer to the general fund the excess balances of various non-general funds from various state departments and agencies.

Your Committee received comments on this measure from the Department of Accounting and General Services and Tax Foundation of Hawaii.

Your Committee finds that the Office of the Auditor's Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the Department of Accounting and General Services, Report No. 23-17 (Dec. 2023), recommended that that certain non-general funds and accounts of the Department of Accounting and General Services



be abolished or reclassified because the fund or account no longer meets the definition of a revolving fund, trust account, or trust fund. This measure will abolish or reclassify these funds to achieve greater fiscal accountability in the Department of Accounting and General Services.

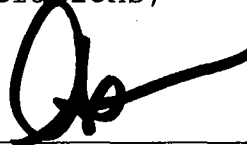
Your Committee notes that the excess balances of various non-general funds from various state departments and agencies have been transferred to the general fund in another measure that has already been received by the Governor.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that would have transferred to the general fund the excess balances of various non-general funds from various state departments and agencies;
- (2) Amending section 1 to reflect its amended purpose;
- (3) Inserting an effective date of July 1, 2491, to encourage further discussion; and
- (4) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

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 H.B. No. 2238, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2238, H.D. 1, 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,



ANGUS L.K. MCKELVEY, Chair



