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# A BILL FOR AN ACT

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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 of Act 88, Session  
6       Laws of Hawaii 2021, the General Appropriations Act of 2021 (Act  
7       88), which permitted departments to transfer funds between their  
8       programs provided that the legislature was informed of the  
9       transfers. However, section 8 of Act 248, Session Laws of  
10      Hawaii 2022, the Supplemental Appropriations Act of 2022,  
11      repealed section 72 of Act 88, and Act 164, Session Laws of  
12      Hawaii 2023, the General Appropriations Act of 2023, as amended  
13      by Act 230, Session Laws of Hawaii 2024, the Supplemental  
14      Appropriations Act of 2024, does not reinstate the proviso.  
15      Consequently, although funds were appropriated to various state  
16      departments for their operating programs for fiscal year 2024-  
17      2025, the proviso's elimination has resulted in a critical  
18      funding emergency by limiting the ability of departments to

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transfer funds between their programs to address changing conditions.

The purposes of this Act are to address the omission of the transfer proviso by appropriating additional general funds as emergency appropriations for fiscal year 2024-2025 for operating shortfalls in quarter 3 funding for existing programs and to adjust funding for various programs to be commensurate with their anticipated levels of activity. The emergency appropriations and the funding adjustments made in this Act are budget neutral.

SECTION 3. Act 164, Session Laws of Hawaii 2023, as amended by Act 230, Session Laws of Hawaii 2024, is amended by amending section 3 as follows:

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect upon its approval.

INTRODUCED BY:

Melanie K. Markman

BY REQUEST

JAN 21 2025

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**Report Title:**

Funds; Emergency Appropriations

**Description:**

Makes emergency appropriations and commensurate reductions to pay for anticipated operating shortfalls due to the limited ability 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

DEPARTMENT: Budget and Finance

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

PURPOSE: To appropriate additional general funds as emergency appropriations for fiscal year 2024-2025, for operating shortfalls in quarter 3 funding for existing programs and to adjust funding for various programs to be commensurate with their anticipated levels of activity. The emergency appropriations and the funding adjustments are budget neutral.

MEANS: Amend section 3 of Act 164, Session Laws of Hawaii (SLH) 2023, as amended by Act 230, SLH 2024.

JUSTIFICATION: Act 164, SLH 2023, did not contain boilerplate provisions that were generally included in the General Appropriations Act authorizing the Governor to transfer funds for operating purposes to address program shortfalls within departments. Because this authority was removed, some programs may face operating budget shortfalls.

Impact on the public: This bill will ensure continued government services and operations serving the public good take place through the transfer of funds to programs facing shortfalls.

Impact on the department and other agencies: This bill will benefit departments by allowing them to meet operating shortfalls.

GENERAL FUND: To be determined.

OTHER FUNDS: To be determined.

PPBS PROGRAM  
DESIGNATION: To be determined.

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OTHER AFFECTED

AGENCIES:

To be determined.

EFFECTIVE DATE:

Upon approval.