

Jan. 28, 2024, 3:00 p.m.
Hawaii State Capitol
Conference Room 225 and Videoconference

To: Senate Committee on Government Operations
Sen. Angus McKelvey, Chair
Sen. Mike Gabbard, Vice Chair

From: Grassroot Institute of Hawaii
Ted Kefalas, Director of Strategic Campaigns

TESTIMONY IN SUPPORT OF SB1081 — RELATING TO LEGISLATIVE BUDGET OFFICE

Aloha Chair McKelvey, Vice-Chair Gabbard and other members of the Committee,

The Grassroot Institute of Hawaii would like to offer support for [SB1081](#), which would establish the legislative budget office to produce fiscal analyses and reports on bills impacting state and county finances.

The fact that the Legislature often considers bills without any reliable estimate of what the proposed legislation will cost or save the government and taxpayers is a matter of great frustration to lawmakers and residents alike.

What would be irresponsible for a family budget — making purchases without any notion of their cost — is standard practice in politics.

The solution is to be found in the adoption of “fiscal notes,” an informed estimate of how much revenue a bill might generate or cost.

In 2022, the Council of State Governments [evaluated the use](#) of fiscal notes by states in six categories: intent or purpose of the bill, cost involved, projected future cost, proposed source of revenue, fiscal impact on local government and “other.” Hawaii, notably, failed to perform in any category and was the only state in the country without a process or independent office for generating fiscal notes.

In Hawaii, state agencies — especially the Department of Taxation — sometimes submit testimonies with projections of potential fiscal impact, but these are not reliable substitutes for fiscal notes. Agencies have their own biases and interests, and relying solely on agency estimates would undermine the Legislature’s independence.

SB1081 seeks to solve this deficiency through the creation of an office that will produce fiscal analysis and reports for the Legislature. Importantly, this analysis will also be available to the public.

Including fiscal notes in the legislative process would be an important step towards promoting greater fiscal responsibility and sound budgeting. Moreover, it would help lawmakers and the public in properly evaluating the true impact of pending legislation.

We urge the committee to pass SB1081.

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii



Senate Committee on Government Operations

Tuesday, January 28, 2025 3 PM Hearing in Conference Room 225 on
SB 1081, Relating to Legislative Budget Office

TESTIMONY

Douglas Meller, Legislative Committee, League of Women Voters of Hawaii

Chair McKelvey, Vice Chair Gabbard, and Committee Members:

The League of Women Voters of Hawaii supports SB 1081. Apart from self-evaluation by the proposed Legislative Budget Office, it might be prudent for SB 1081 to authorize the Legislative Auditor to evaluate and recommend ways to improve the Legislative Budget Office.

Thank you for the opportunity to submit testimony.



Senate Committee on Government Operations
Honorable Angus McKelvey, Chair
Honorable Mike Gabbard, Vice Chair

RE: Testimony in Support of S.B. 1081, Relating to Legislative Budget Office
Hearing: January 28, 2025 at 3:00 p.m.

Dear Chair and Members of the Committee:

My name is Ben Creps. I am a staff attorney at the Public First Law Center, a nonprofit organization that promotes government transparency. Thank you for the opportunity to submit testimony **in support** of S.B. 1081.

This measure establishes a legislative budget office to prepare fiscal analyses of bills that have the potential to affect government revenues or expenditures, and requires those analyses to be made available to the public. We commend the Legislature's effort to increase transparency in the lawmaking process. This measure would help the public better understand the fiscal consequences of proposed legislation and thus promotes more informed public participation.

Thank you again for the opportunity to testify in support of S.B. 1081.



SB-1081

Submitted on: 1/25/2025 12:59:45 PM

Testimony for GVO on 1/28/2025 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jacob Wiencek	Individual	Support	Written Testimony Only

Comments:

Aloha Committee Members,

I support this proposed legislation that aims to reform and streamline the provision of accurate legislative analysis for our House and Senate. This seems like commonsense reform that other states and our federal government have versions of. I encourage this Committee to SUPPORT this bill.

LATE



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

**HEARING BEFORE THE SENATE COMMITTEE ON GOVERNMENT OPERATIONS
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 225
Tuesday, January 28, 2025, 3:00 P.M.**

To The Honorable Senator Angus L.K. McKelvey Chair
The Honorable Senator Mike Gabbard, Vice Chair
Members of the Committee on Government Operations

SUPPORT SB1081 RELATING TO TAXATION

The Maui Chamber of Commerce **SUPPORTS SB1081**, which establishes the legislative budget office to provide reports and notes on the fiscal impact of legislation appearing before the legislature; and repeals the existing non-functional joint legislative budget committee and office of the legislative analyst.

The Chamber greatly appreciates this proposal, having previously proposed several similar bills. We believe this initiative is extremely important. We agree that fiscal analyses should be part of the bill drafting process, enabling the legislature and the public to adequately assess and consider proposals. Furthermore, we strongly agree that these analyses should be conducted by a neutral, nonpartisan entity.

We would like to see this bill amended to include both fiscal and economic impacts. For instance, a bill raising taxes may have a positive fiscal impact on the state but a negative economic impact on residents and businesses. Additionally, we question whether there is an opportunity to create a committee to undertake this work or identify an existing office within state government that could be utilized for this task, rather than establishing a new office.

For these reasons we **SUPPORT SB1081** and respectfully ask that it be passed with our suggested amendment.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

To: Senate Committee on Government Operations
Re: **SB 1081 – Relating to Legislative Budget Office**
Hawai'i State Capitol & Via Videoconference
January 28, 2025, 3:00 PM

Dear Chair McKelvey, Vice Chair Gabbard, and Committee Members,

On behalf of Hawai'i Children's Action Network Speaks!, I am writing in **SUPPORT of SB 1081**. This bill establishes the legislative budget office to produce fiscal analyses and reports on bills impacting state or county finances.

According to the Council of State Governments,¹ Hawaii is the only state in the country that does not have an independent office or process to create fiscal notes, which are informed estimates of how much revenue a bill might generate or cost.

In some states, fiscal notes are prepared for all bills, while in others fiscal notes are required for specific bills or will be produced at the request of a bill's introducer or the chairs of the appropriations committees.

In Hawaii, state legislators sometimes are provided with estimates of a bill's fiscal impact via testimony from state agencies. Tax-related measures, for example, often elicit testimony from the state Department of Taxation.

However, relying on the executive branch for estimates of a bill's fiscal impact is not ideal. Not only do executive agencies have their own biases and interests at stake, but using agency estimates can undermine the Legislature's independence.

This bill would enable our lawmakers to make more informed and fiscally responsible decisions as well as allow anyone to review the assumptions and cost estimates of each bill, and challenge or debate them, if needed.

Mahalo for the opportunity to provide this testimony. Please pass this bill.

Thank you,

Nicole Woo
Director of Research and Economic Policy

¹ <https://bookofthestates.org/tables/2022-3-18/>

LATE

SB-1081

Submitted on: 1/28/2025 8:49:41 AM

Testimony for GVO on 1/28/2025 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Brenner Danielson	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Members of the Committee,

I strongly support SB1081. Establishing a dedicated Legislative Budget Office will improve transparency and accountability in fiscal decision-making. By providing objective analyses and reports on bills impacting state and county finances, this office will equip legislators with the tools needed to make informed, data-driven decisions. Replacing outdated structures with a streamlined, well-resourced system is a prudent step forward.

Thank you for considering this important measure.