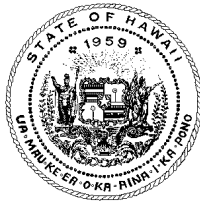


JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



TOMMY JOHNSON
DIRECTOR

Melanie Martin
Deputy Director
Administration

STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII

**DEPARTMENT OF CORRECTIONS
AND REHABILITATION**

***Ka 'Oihana Ho'omalu Kalaima
a Ho'oponopono Ola***

1177 Alakea Street
Honolulu, Hawaii 96813

Deputy Director
Correctional Institutions

Sanna Muñoz Deputy
Director Rehabilitation
Services and
Programs

No. _____

**TESTIMONY ON SENATE BILL 1513
RELATING TO APPROPRIATIONS**

by

Tommy Johnson, Director
Department of Corrections and Rehabilitation

Senate Committee on Government Operations
Senator Angus L.K. McKelvey, Chair
Senator Mike Gabbard, Vice Chair

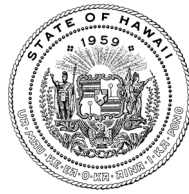
Tuesday, February 4, 2025; 3:05 p.m.
State Capitol, Conference Room 225 & via Videoconference

Chair McKelvey, Vice Chair Gabbard, and Members of the Committee:

The Department of Corrections and Rehabilitation (DCR) opposes Senate Bill (SB) 1513, which prohibits the transfer of funds appropriated for positions to operating expenses, and vice versa, except to fulfill the Legislature's purpose for which the funds were appropriated.

DCR operates eight (8) correctional institutions in all islands twenty four hours, seven days a week. We are faced with a lot of challenges as we provide for the health and safety of the justice involved individuals we are mandated to care for, as well as our employees who work in these institutions. We must have the flexibility to use our resources where needs are immediate and necessary emergent response is critical. This bill prohibits our ability to utilize available financial resources to address our operations and stay within the appropriation provided for each and every Program ID we are responsible for.

Thank you for the opportunity to provide testimony in opposition to SB 1513.



JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON GOVERNMENT OPERATIONS
ON
SENATE BILL NO. 1513

February 4, 2025
3:05 p.m.
Room 225 and Videoconference

DIRECTOR

RELATING TO APPROPRIATIONS

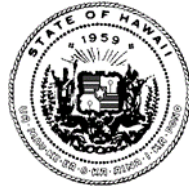
The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill No. 1513 proposes to amend Chapter 37, Budget, HRS, to prohibit the transfer of funds appropriated for positions to operating expenses, and vice versa, except to fulfill the Legislature's purpose for which the funds were appropriated.

Through the budget review process, the Executive Branch proposes tradeoffs and transfers within department base budgets to better reflect expected program resource requirements. However, it is not always possible to foresee program requirements over a year in advance. The proposed restriction could negatively impact many programs but could have more significant impact on the operations of smaller programs that do not have much flexibility with their budgets.

Thank you for your consideration of our comments.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



RYAN I. YAMANE
DIRECTOR
KA LUNA HO'OKELE

JOSEPH CAMPOS II
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF HUMAN SERVICES
KA 'OIHANA MĀLAMA LAWELAWE KANAKA
Office of the Director
P. O. Box 339
Honolulu, Hawaii 96809-0339

TRISTA SPEER
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

February 3, 2025

TO: The Honorable Senator Angus L.K. McKelvey, Chair
Senate Committee on Government Operations

FROM: Ryan I. Yamane, Director

SUBJECT: **SB 1513 – RELATING TO APPROPRIATIONS.**

Hearing: February 4, 2025, 3:05 p.m.
Conference Room 225 & via videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) defers to the Department of Budget & Finance and provides comments on this measure.

PURPOSE: Prohibits the transfer of funds appropriated for positions to operating expenses, and vice versa, except to fulfill the Legislature's purpose for which the funds were appropriated.

DHS is concerned that the prohibition may result in the inability to make necessary payments in the current fiscal year, especially in times when the availability of federal funds changes during the state fiscal year or when responding to unforeseen emergencies or expenses.

Thank you for the opportunity to provide comments on this measure.

Feb. 4, 2025 3:05 p.m.

Hawaii State Capitol

Conference Room 225 and Videoconference

To: Senate Committee on Government Operations

Sen. Angus L.K. McKelvey, Chair

Sen. Mike Gabbard, Vice-Chair

From: Grassroot Institute of Hawaii

Ted Kefalas, Director of Strategic Campaigns

RE: TESTIMONY IN SUPPORT OF SB1513 — RELATING TO APPROPRIATIONS

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

The Grassroot Institute of Hawaii would like to offer its **support** for [SB1513](#), which would prohibit state government departments or agencies from using funds appropriated for positions for operating expenses, and vice versa.

The issue of funded but vacant positions has become a major budgetary concern for the state. The governor's budget allocates funding for thousands of permanent and temporary positions, yet, according to a [report](#) from the Hawaii Department of Human Resources Development, about a quarter of all state civil service positions are unfilled.

What happens to the funds for these vacant positions?

Responsible budgeting requires greater accountability for the use of such allocations, and this bill would advance that goal. By preventing the transfer of funds intended for positions, SB1513 would help prevent agencies from using vacancies like a slush fund for other expenditures.

We do, however, have one concern regarding the bill's exception stating that the transfer of funds is allowed "to fulfill the legislature's purpose for which the funds were appropriated." This wording is so vague that it could undermine the intent of the bill.

After all, one could argue that funds appropriated for certain positions and then spent on agency operations still fulfill the requisite legislative intent — especially if that position could be described as advancing the agency’s operations or mission.

If the committee does not wish to modify this exception, we suggest the addition of a reporting and justification requirement for any use of funds that would fall under this exception.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii