
A BILL FOR AN ACT

RELATING TO THE STATE BUDGET.

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

1 SECTION 1. The legislature finds that section 37-74(d),
2 Hawaii Revised Statutes, explicitly states that no appropriation
3 transfers or changes between programs or agencies shall be made
4 without legislative authorization, except for certain exempting
5 provisions relating to the University of Hawaii, the department
6 of education, and the Hawaii health systems corporation.
7 However, the administration has made appropriation transfers and
8 changes without legislative approval, including but not limited
9 to the tourism liaison, and reported these after-the-fact to the
10 legislature.

11 The purpose of this Act is to expressly restate, reiterate,
12 and declare that the intent of the legislature in enacting
13 section 37-74(d), Hawaii Revised Statutes, concerning
14 appropriation transfers or changes between programs and agencies
15 is now, and was originally, that these transfers and changes
16 shall not be put into effect without legislative approval.

1 SECTION 2. Section 37-74, Hawaii Revised Statutes, is
2 amended by amending subsection (d) to read as follows:

3 "(d) No appropriation transfers or changes between
4 programs or agencies shall be made without prior legislative
5 authorization; provided that:

6 [~~(1)~~ ~~Authorized transfers or changes, when made, shall be~~
7 ~~reported to the legislature;~~

8 ~~(2)]~~ (1) Except with respect to appropriations to fund
9 financing agreements under chapter 37D, the University
10 of Hawaii shall have the flexibility to transfer
11 appropriated funds and positions for the operating
12 cost category among programs, among cost elements in a
13 program, and between quarters, as applicable; except
14 with respect to appropriations to fund financing
15 agreements under chapter 37D, the department of
16 education shall have the flexibility to transfer
17 appropriated funds and positions for the operating
18 cost category among programs and among cost elements
19 in a program, and between quarters, as applicable; and
20 the Hawaii health systems corporation and its regional
21 system boards shall have the flexibility to transfer
22 special fund appropriations among regional system

1 hospital facilities as applicable and as mutually
2 agreed to by the corporation and the respective
3 regional system board; provided that the Hawaii health
4 systems corporation and the regional system boards
5 shall maintain the integrity and services of each
6 individual regional system and shall not transfer
7 appropriations out of any regional system that would
8 result in a reduction of services offered by the
9 regional system, with due regard for statutory
10 requirements, changing conditions, the needs of the
11 programs, and the effective utilization of resources;
12 and

13 [~~(3)~~] (2) The university and the department of education
14 shall account for each transfer implemented under this
15 subsection in quarterly reports to the governor and
16 annual reports at the end of each fiscal year to the
17 legislature and the governor, which shall be prepared
18 in the form and manner prescribed by the governor and
19 shall include information on the sources and uses of
20 the transfer."

21 SECTION 3. Statutory material to be repealed is bracketed
22 and stricken. New statutory material is underscored.

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

Report Title:

State Budget; Program Execution

Description:

Reiterates the legislature's intent that appropriation transfers or changes between programs and agencies be made only pursuant to prior legislative authorization. (SD1)