
A BILL FOR AN ACT

RELATING TO THE BUDGET.

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

1 SECTION 1. The legislature finds that public funds are
2 meant to further the public good and ensure that state
3 government operates efficiently and effectively. It is
4 imperative that state revenues be spent in a fiscally
5 responsible manner and that state agencies be held accountable
6 for their use of public funds.

7 The legislature further finds that the University of Hawaii
8 is exempt from certain budgetary oversights and controls, which
9 limits transparency and may cause difficulties in ensuring that
10 the university is properly accountable for its use of public
11 funds.

12 Consequently, the legislature finds and declares that the
13 manner in which the University of Hawaii manages the public
14 funds entrusted to it is a matter of statewide concern and
15 therefore under the legislature's purview pursuant to article X,
16 section 6 of the Hawaii State Constitution.

17 Accordingly, the purpose of this Act is to:



1 (1) Require the University of Hawaii to provide written
 2 notice to the director of finance no less than fifteen
 3 days prior to transferring any moneys between special
 4 funds or prior to using any special fund moneys for
 5 purposes outside the statutory purpose of the special
 6 fund; and

7 (2) Require the University of Hawaii to provide written
 8 notice to the director of finance no less than fifteen
 9 days prior to any appropriation transfers or changes
 10 between programs or agencies.

11 SECTION 2. Chapter 304A, Hawaii Revised Statutes, is
 12 amended by adding a new section to part V, subpart C, to be
 13 appropriately designated and to read as follows:

14 **"§304A- Transfer and use of special fund moneys.**
 15 Notwithstanding any law to the contrary, the University of
 16 Hawaii shall be required to provide written notice to the
 17 director of finance no less than fifteen days prior to any
 18 transfer of special fund moneys between special funds and prior
 19 to any use of special fund moneys for purposes outside of the
 20 statutory purpose of the special fund."

21 SECTION 3. Section 37-74, Hawaii Revised Statutes, is
 22 amended by amending subsection (d) to read as follows:



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

4 (1) Authorized transfers or changes, when made, shall be
5 reported to the legislature;

6 (2) Except with respect to appropriations to fund
7 financing agreements under chapter 37D, the University
8 of Hawaii shall have the flexibility to transfer
9 appropriated funds and positions for the operating
10 cost category among programs, among cost elements in a
11 program, and between quarters, as applicable; provided
12 that the University of Hawaii shall provide written
13 notice to the director no less than fifteen days prior
14 to any transfer of appropriated funds and positions
15 for the operating cost category among programs, and
16 among cost elements in a program; except with respect
17 to appropriations to fund financing agreements under
18 chapter 37D, the department of education shall have
19 the flexibility to transfer appropriated funds and
20 positions for the operating cost category among
21 programs and among cost elements in a program, and
22 between quarters, as applicable; and the Hawaii health



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

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



- 1 SECTION 4. New statutory material is underscored.
- 2 SECTION 5. This Act shall take effect on July 1, 2525.



Report Title:

University of Hawaii; Budget; Program Execution; Special Funds

Description:

Requires the University of Hawaii to provide written notice to the director of finance no less than fifteen days prior to any transfer of special fund moneys between special funds and prior to any use of special fund moneys for purposes outside of the statutory purpose of the special fund. Requires the University of Hawaii to provide written notice to the director of finance no less than fifteen days prior to any transfer of appropriated funds and positions for the operating cost category among programs, and among cost elements in a program. Effective July 1, 2525. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

