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# A BILL FOR AN ACT

RELATING TO THE BUDGET.

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

1           SECTION 1. The purpose of this Act is to address the state  
2 budget.

3           More specifically, this Act requires information on the  
4 estimated future debt service for a proposed capital improvement  
5 project to be included in the budget documents submitted to the  
6 legislature. The legislature finds that the information is  
7 necessary to make the best decisions regarding the funding of  
8 proposed capital improvement projects.

9           The legislature intends that this Act also apply to the  
10 judiciary budget by operation of section 601-2, Hawaii Revised  
11 Statutes.

12           SECTION 2. Section 37-68, Hawaii Revised Statutes, is  
13 amended to read as follows:

14           "§37-68 Responsibilities of agencies. (a) Under rules as  
15 may be prescribed by the director of finance with the approval  
16 of the governor:



1           (1) Each agency assigned the task of developing programs  
2           and preparing program and financial plans, budgetary  
3           requests, and program performance reports shall  
4           develop the programs and prepare the plans, requests,  
5           and reports and submit the same to the director of  
6           finance at times, on forms, and in a manner as the  
7           director may prescribe. For informational purposes,  
8           the University of Hawaii shall submit its program and  
9           financial plans, budgetary requests, and program  
10          performance reports to the legislature at the same  
11          time the university submits them to the director of  
12          finance. Where new programs are being proposed, each  
13          agency shall demonstrate that the program:  
14          (A) Is an appropriate function of state government;  
15              and, as applicable  
16          (B) Can be implemented by the public sector as cost-  
17              effectively as the private sector while meeting  
18              the same plans, goals, objectives, standards,  
19              measures of effectiveness, wage, salary,  
20              conditions of employment, and employee benefit  
21              programs of the State;



- 1           (2) Each agency administering state programs and each  
2           agency responsible for the formulation of programs and  
3           the preparation of program and financial plans,  
4           budgetary requests, and program performance reports,  
5           shall furnish the department of budget and finance all  
6           documents and information as the department may from  
7           time to time require. Each agency shall make  
8           available all documents and information, as may be  
9           requested, to the legislature and any member or  
10          committee of either house of the legislature;
- 11          (3) The director of finance or any employee of the  
12          department of budget and finance, when duly  
13          authorized, for the purpose of securing information,  
14          shall have access to and may examine any books,  
15          documents, papers, or records of any agency; and
- 16          (4) Each agency submitting a capital improvement project  
17          proposal shall furnish the department of budget and  
18          finance with an estimate of operational costs for the  
19          proposed capital improvement project and all documents  
20          that support the estimate of operational costs. Each  
21          agency shall make available all documents and related



1 information, as may be requested, to the legislature  
2 and any member or committee of either house.

3 (b) The director of finance shall include, in the six-year  
4 program and financial plan and budget submitted before each odd-  
5 numbered year and supplemental budget submitted before each  
6 even-numbered year, a summary of the following:

7 (1) The projected annual debt service for bonds intended  
8 to finance capital improvement projects,  
9 appropriations for which are proposed during the six  
10 fiscal years covered by the financial plan and budget  
11 or supplemental budget, as applicable. The  
12 information shall be listed from the fiscal year of  
13 the first debt service payment on the bonds until the  
14 fiscal year of the last debt service payment on the  
15 bonds;

16 (2) The projected annual debt service for bonds used or  
17 planned to be used to finance capital improvement  
18 projects, appropriations for which were made before  
19 the first fiscal year covered by the financial plan  
20 and budget or supplemental budget, as applicable. The



1           information shall be listed for the same fiscal years  
2           required under paragraph (1); and  
3           (3) The sum of the projected annual debt service under  
4           paragraphs (1) and (2) for the same fiscal years  
5           required under paragraph (1).

6 The summary shall categorize the information by program, bond  
7 category, and means of financing for the debt service payments.

8           The summary required by this subsection shall be in  
9 addition to any other information on the debt ceiling;  
10 authorized, issued, and outstanding bonds; or debt service  
11 payment schedule that the director of finance is required to  
12 include in the six-year program and financial plan and budget or  
13 supplemental budget."

14           SECTION 3. New statutory material is underscored.

15           SECTION 4. This Act shall take effect on July 1, 2030.



**Report Title:**

Budget Documents; CIP Estimated Debt Service

**Description:**

Requires the inclusion, in the six-year program and financial plan and budget, of a summary of the annual debt service for bonds issued to finance capital improvement projects. States intent that the provisions also apply to the judiciary budget by operation of existing law. (SB105 HD1)

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

