

STAND. COM. REP. NO.

597

Honolulu, Hawaii

MAR 02 2017

RE: S.B. No. 722
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 722 entitled:

"A BILL FOR AN ACT RELATING TO EFFICIENCY MEASURES,"

begs leave to report as follows:

The purpose and intent of this measure is to extend the deadline for the efficiency measures pilot project conducted under Act 67, Session Laws of Hawaii 2015.

Your Committee received testimony in support of this measure from the Office of the Auditor.

Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that this measure extends the deadline for the report on the efficiency measures pilot project required under Act 67, Session Laws of Hawaii 2015 from twenty days prior to the convening of the "regular session of 2017" to the "regular session of 2019." However, the Department of Budget and Finance submitted the report to the Legislature on December 30, 2016. Your Committee recognizes that the report raised certain concerns and recommended further discussion with the Legislature. Your Committee finds the concerns raised are valid and should be addressed, but that rather than engaging in further discussion, the pilot project should be recommenced with clearer expectations



and objectives. Your Committee notes that the intent of this recommencing of the pilot project is to produce better data and a clearer determination of the benefits, appropriateness, and value of efficiency measures.

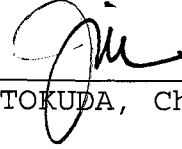
Your Committee has amended this measure by recommending the efficiency measures pilot project first established under Act 67, Session Laws of Hawaii 2015 (Act 67), with clearer expectations and objectives by:

- (1) Adding an amendment to section 2 of Act 67, to include two new terms, "direct cost" and "measure of effectiveness", and amending the definition of "efficiency measure";
- (2) Adding an amendment to section 3 of Act 67, to create a subsection (b) to clarify the intent of the recommended pilot project;
- (3) Adding an amendment to section 5 of Act 67 to require the Director of Finance to consult with the selected state department before submitting a report to the Legislature and adding additional requirements for the report, including a recommendation by the Department of Budget and Finance on whether to require the inclusion of efficiency measures for every state executive department in the budget documents;
- (5) Adding an amendment to section 8 of Act 67, to appropriate funds for fiscal years 2017-2018 and 2018-2019; and
- (6) Repealing sections 6 and 7 of Act 67.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 722, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 722, S.D. 1, and be placed on the calendar for Third Reading.



Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



JILL N. TOKUDA, Chair



