

JAN 20 2017

A BILL FOR AN ACT

RELATING TO EFFICIENCY MEASURES.

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

1 SECTION 1. The legislature finds that the budgetary
2 situation of the State may require more scrutiny in the future
3 to better control appropriations. Efficiency measures may
4 possibly provide data to enhance the level of scrutiny. At
5 present, projections of state general fund revenues do not
6 appear to be particularly robust. Efficiency measures may help
7 the legislature make difficult budget decisions in the future to
8 improve and continue important programs on a sustainable basis.

9 Before requiring the inclusion of efficiency measure data
10 in budget documents, a determination should be made on whether
11 efficiency measures may be prepared, collected, and analyzed by
12 the department of budget and finance and other state agencies in
13 a cost-effective manner. Act 67, Session Laws of Hawaii 2015,
14 established an efficiency measures pilot project that is
15 intended to provide the legislature with the information
16 necessary to make that determination.



1 Act 67, Session Laws of Hawaii 2015, required the
2 department of budget and finance to submit a report on the
3 efficiency measures pilot project to the legislature no later
4 than twenty days prior to the convening of the regular session
5 of 2017. The legislature is aware that the department needs
6 more time to submit the report. For this reason, the
7 legislature finds that the deadline for the report on the
8 efficiency measures pilot program should be extended.

9 The purpose of this Act is to extend the deadline for the
10 efficiency measures pilot program conducted under Act 67,
11 Session Laws of Hawaii 2015.

12 SECTION 2. Act 67, Session Laws of Hawaii 2015, is amended
13 by amending sections 3 to 7 to read as follows:

14 "SECTION 3. The director of finance shall select one state
15 department to participate in a pilot project for the
16 establishment of and data collection for efficiency measures
17 intended to be included with the budget documents submitted to
18 the legislature [~~after~~] for the fiscal biennium [~~2015-2017.~~]
19 2019-2021. To the extent possible, the director of finance
20 shall select a state department in which the executive head is
21 willing to participate in the pilot project.



1 The director of finance shall select the state department
2 by August 1, 2017.

3 [~~The director of finance may transfer a portion of the~~
4 ~~appropriation made under this Act to the selected state~~
5 ~~department for its participation in the pilot project.~~]

6 SECTION 4. (a) No later than a deadline to be established
7 by the director of finance, the selected state department shall
8 submit at least three proposed efficiency measures to the
9 director.

10 (b) After receiving the proposed efficiency measures and
11 consulting with the selected state department, the director of
12 finance shall approve the efficiency measures to be used by the
13 selected state department. The director of finance may approve
14 efficiency measures that differ from those proposed by the
15 selected state department. The director of finance shall
16 approve the efficiency measures by January 1, 2018, and notify
17 the legislature within ten days of the approval.

18 (c) If the selected state department does not submit
19 proposed efficiency measures by the deadline established by the
20 director of finance under subsection (a), the director of
21 finance shall formulate and approve the efficiency measures by



1 January 1, 2018, and notify the legislative within ten days of
2 the approval.

3 SECTION 5. No later than twenty days prior to the
4 convening of the regular session of [~~2017,~~] 2019, the director
5 of finance shall submit the following to the legislature:

6 (1) The actual level of the efficiency measures attained
7 in the fiscal year [~~2015-2016,~~] 2017-2018, the
8 estimated level of the efficiency measures for the
9 fiscal year [~~2016-2017,~~] 2018-2019, and the estimated
10 level for each of the next six fiscal years. The
11 percentage change from fiscal year to fiscal year of
12 the efficiency measures also shall be reported;

13 (2) A narrative and comments on the change in efficiency
14 measures from fiscal year to fiscal year; and

15 (3) Any intended action to improve efficiency.

16 The information shall be submitted concurrently with, but
17 need not be included in, the budget documents for the executive
18 budget for the fiscal biennium [~~2017-2019,~~] 2019-2021.

19 SECTION 6. The director of finance, after consulting with
20 the selected state department, shall submit a report to the
21 legislature on the findings and recommendations resulting from



1 the pilot project. The report shall be submitted no later than
 2 twenty days prior to the convening of the regular session of
 3 [~~2017~~] 2019 and shall include a recommendation on whether to
 4 require the inclusion of efficiency measures for every state
 5 executive department, commencing with the budget documents for
 6 the fiscal biennium [~~2019-2021.~~] 2021-2023. The report also
 7 shall include data on the cost incurred by the department of
 8 budget and finance and the selected state department for the
 9 performance of duties of the pilot project.

10 SECTION 7. No later than March 1, [~~2017,~~] 2019, the
 11 auditor shall submit a report to the legislature evaluating the
 12 pilot project, including findings and recommendations on the
 13 pilot project."

14 SECTION 3. Statutory material to be repealed is bracketed
 15 and stricken. New statutory material is underscored.

16 SECTION 4. This Act shall take effect upon its approval.
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S.B. NO. 722

Report Title:

Efficiency Measures Pilot Project; Extension

Description:

Extends the deadline for the data and reports on the efficiency measures pilot project required under Act 67, Session Laws of Hawaii 2015.

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