

JAN 19 2007

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
15 agencies, is now and was originally that these transfers and
16 changes shall not be put into effect without legislative
17 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 legislative
5 authorization; provided that:

6 (1) [~~Authorized~~] Proposed transfers or changes [~~when~~
7 ~~made~~] shall be reported to the legislature [~~and~~] and
8 shall not be put into effect until approved by the
9 legislature;

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



1 flexibility to transfer special fund appropriations
2 among community hospitals facilities as applicable;
3 provided that the Hawaii health systems corporation
4 shall maintain the integrity and services of each
5 individual facility and shall not transfer
6 appropriations out of any facility that would result
7 in a reduction of services offered by the facility,
8 with due regard for statutory requirements, changing
9 conditions, the needs of the programs, and the
10 effective utilization of resources; and

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

19 SECTION 3. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.



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

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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 legislative authorization.

