

1 (b) Except as provided under subsection (c), the net
2 general fund appropriation to the University of Hawaii for each
3 fiscal year shall comprise at least ten per cent of the total
4 general fund appropriation to the executive branch.

5 (c) Any general fund appropriation during a fiscal year
6 under a bill recommended by the governor for immediate passage,
7 but submitted to the legislature while it was not in regular or
8 special session, shall not be counted to compute the minimum ten
9 per cent ratio of subsection (a)."

10 SECTION 2. Chapter 37, Hawaii Revised Statutes, is amended
11 by adding a new section to part IV to be appropriately
12 designated and to read as follows:

13 "§37- General funds for the University of Hawaii. (a)
14 The six-year program and financial plan required by section
15 37-69 shall conform to this section.

16 For each of the six future fiscal years covered by the six-
17 year program and financial plan, the proposed net general fund
18 appropriation to the University of Hawaii shall comprise at
19 least ten per cent of the proposed total general fund
20 appropriation to the executive branch.

21 (b) The budget required under section 37-71 shall conform
22 to this section.



1 For each fiscal year covered by the budget, the proposed
2 net general fund appropriation to the University of Hawaii shall
3 comprise at least ten per cent of the proposed total general
4 fund appropriation to the executive branch.

5 If, after the submission of the budget to the legislature,
6 the governor submits a request for a revision of the budget, the
7 requested revision shall not cause the net general fund
8 appropriation to the University of Hawaii in any fiscal year to
9 be reduced below the minimum ten per cent ratio.

10 (c) A supplemental budget for a fiscal year submitted to
11 the legislature pursuant to section 37-72 shall conform to this
12 section.

13 Under the proposed amendments of the supplemental budget,
14 the net general fund appropriation to the University of Hawaii
15 for the subject fiscal year shall comprise at least ten per cent
16 of the total general fund appropriation for the fiscal year to
17 the executive branch.

18 If, after the submission of a supplemental budget to the
19 legislature, the governor submits a request for a revision of
20 the supplemental budget, the requested revision shall not cause
21 the net general fund appropriation to the University of Hawaii



1 in the covered fiscal year to be reduced below the minimum ten
2 per cent ratio.

3 (d) For the purpose of this section, "net general fund
4 appropriation to the University of Hawaii" means the same as
5 defined under section -1."

6 SECTION 3. Section 37-71, Hawaii Revised Statutes, is
7 amended by amending subsection (e) to read as follows:

8 "(e) The proposed budget shall include:

- 9 (1) A statement of the percentage differences between the
10 current biennium recommendations and the previous
11 biennium appropriations for education programs. The
12 information shall be displayed by programs or groups
13 of programs, with corresponding amounts and percentage
14 differences. If any component of an education program
15 is added or removed, the governor shall provide an
16 estimate of how the addition or removal affects the
17 current biennium recommendations;
- 18 (2) A statement of the difference between the total amount
19 proposed for the current biennium and the total amount
20 expended in the previous biennium for education
21 programs per pupil; [~~and~~]



1 (3) The percentage of net general funds expended by the
2 University of Hawaii in each fiscal year of the
3 previous biennium in relation to the total general
4 funds expended in the corresponding fiscal year by the
5 executive branch and, if the percentage is below ten
6 per cent for any fiscal year, a statement explaining
7 the shortfall. For the purpose of this paragraph,
8 "net general funds expended by the University of
9 Hawaii" mean the total general funds expended by the
10 University of Hawaii less the mandatory transfers
11 cited under section -1(a)(1) and (2); and

12 [~~3~~] (4) Other financial statements, information, and data
13 that in the opinion of the governor are necessary or
14 desirable in order to make known in all practical
15 detail the programs, program plans, and financial
16 conditions of the State.

17 As used in this subsection, "education programs" include
18 instructional, personnel, transportation, facilities, facilities
19 repair and maintenance, and other programs deemed appropriate by
20 the department of education."

21 SECTION 4. Section 37-75, Hawaii Revised Statutes, is
22 amended to read as follows:



1 "**§37-75 Variance report.** Not fewer than thirty days prior
2 to the convening of each regular session of the legislature, the
3 governor shall submit to the legislature and to each member
4 thereof a report on program performance for the last completed
5 fiscal year and the fiscal year in progress. In format, the
6 report generally shall follow the fiscal requirements portion of
7 the executive budget or budgets. The report shall include:

8 (1) At the lowest level of the program structure, for each
9 program contained in the budget finally approved by
10 the legislature for the last completed fiscal year and
11 the fiscal year in progress:

12 (A) A comparison, by the operating and research and
13 development cost categories, of the budgeted
14 expenditures and the actual expenditures for the
15 last completed fiscal year and the budgeted
16 expenditures and the estimated expenditures for
17 the fiscal year in progress;

18 (B) A comparison, for the operating and research and
19 development cost categories, of the budgeted
20 expenditures and positions authorized and the
21 actual expenditures and positions filled in the
22 last completed fiscal year and a comparison of



1 the budgeted expenditures and the number of
2 positions authorized for the fiscal year in
3 progress and the actual expenditures and number
4 of positions filled in the first three months of
5 the fiscal year in progress and the estimated
6 expenditures and number of positions expected to
7 be filled in the remaining months of the fiscal
8 year in progress;

9 (C) The program size indicators and a comparison of
10 the program size anticipated and the size
11 actually realized in the last completed fiscal
12 year and the program size anticipated and the
13 size estimated for the fiscal year in progress;

14 (D) The effectiveness measures and a comparison of
15 the level of effectiveness anticipated and the
16 level actually attained in the last completed
17 fiscal year and the level of effectiveness
18 anticipated and the level estimated for the
19 fiscal year in progress; and

20 (E) A narrative explanation of the significant
21 differences for the last completed fiscal year in
22 each of the comparisons made in subparagraphs



1 (A), (B), (C), and (D), including an explanation
2 of the basis upon which the original estimates
3 were made and the reasons why the estimates
4 proved accurate or inaccurate, and a statement of
5 what the actual experience portends for the
6 future of the program in terms of costs, size,
7 and effectiveness;

8 provided that expenditure amounts in the comparisons
9 shall be shown to the nearest thousand dollars;

10 (2) Appropriate summaries at each level of the state
11 program structure for each major grouping of programs
12 encompassed therein, showing:

13 (A) A comparison of the total budgeted expenditure
14 and the total actual expenditure for the last
15 completed fiscal year and the total budgeted
16 expenditure and the total estimated expenditure
17 for the fiscal year in progress; provided that
18 the expenditure amounts shall be shown to the
19 nearest thousand dollars;

20 (B) The effectiveness measures and a comparison of
21 the level of effectiveness anticipated and the
22 level actually attained in the last completed



1 fiscal year and the level of effectiveness
2 anticipated and the level estimated for the
3 fiscal year in progress; and

4 (C) A narrative explanation summarizing the major
5 reasons for the differences in the comparisons
6 made for the last completed fiscal year in
7 subparagraphs (A) and (B); [~~and~~]

8 (3) A narrative explanation of the significant variations
9 in capital improvement costs; provided that capital
10 improvement project variances shall be referenced to
11 the six-year program and financial plan, which shall
12 contain the information specified in section
13 37-69(d) (1) (K) [~~-~~]; and

14 (4) A narrative specifying whether the net general fund
15 expenditures for programs of the University of Hawaii
16 in the last completed fiscal year fell below the
17 minimum ten per cent ratio of section -1 and
18 whether such expenditures in the fiscal year in
19 progress is anticipated to fall below that minimum
20 ratio. For the purpose of this paragraph, "net
21 general fund expenditures for programs of the
22 University of Hawaii" mean the total general fund



1 expenditures of the University of Hawaii less the
 2 mandatory transfers cited under section -1(a)(1)
 3 and (2)."

4 SECTION 5. Section 304A-2101, Hawaii Revised Statutes, is
 5 amended by amending subsection (a) to read as follows:

6 "(a) The general fund budget appropriations for the
 7 university for a fiscal year shall be an amount not less than
 8 three times and not greater than five times the amount of
 9 regular tuition and related fee revenues estimated for that
 10 fiscal year[-]; except that the general fund appropriation may
 11 be higher for a fiscal year if necessary to conform with the
 12 minimum ten per cent ratio of section -1."

13 SECTION 6. Statutory material to be repealed is bracketed
 14 and stricken. New statutory material is underscored.

15 SECTION 7. This Act shall take effect on July 1, 2007.

16

INTRODUCED BY:

Richard F. Cahill, *J. Niko Kanani*, *James Hama*, *Alan H. Day*, *James Iwama*
John W. ..., *Mary B. Lee*, *Richard W. ...*, *...*, *...*, *...*
..., *...*, *...*, *...*, *...*

H.B. NO. 1869

A handwritten signature in black ink, appearing to read "Ray J. Hunter", written in a cursive style.

JAN 24 2007

Report Title:

UH; Net General Funds

Description:

Requires the net general fund appropriation to the University of Hawaii for each fiscal year to be at least 10% of the total general fund appropriation to the executive branch.

