



EXECUTIVE CHAMBERS

HONOLULU

LINDA LINGLE
GOVERNOR

Testimony of
Barry Fukunaga
Chief of Staff to the Governor

Before the
HOUSE COMMITTEE ON FINANCE
Wednesday, March 25, 2009, 2:00 p.m.
Room 308, State Capitol

SB 646 SD1 RELATING TO PUBLIC ACCOUNTABILITY

Chair Oshiro, Vice Chair Lee, and Members of the Committee:

The Administration is in opposition to SB 646 SD1, which requires the Governor to explain to the Legislature in writing, all decisions to reduce, withhold, or limit appropriations within ten days of the reduction decision.

It is the responsibility of the Governor to ensure that the state budget is balanced and expenditures are made prudently. In order to do so, the Governor requires the flexibility and authority to render financial decisions without being encumbered by additional reporting requirements. As an example, under the current fiscal situation, significant reductions have had to be made to the Executive Branch budget for fiscal year 2008-2009. This includes withholding funding identified by the Legislature, which could not be reasonably granted in order to achieve necessary spending reductions. Whether these are across-the-board or program-related reductions, limits are applied with the budget deficit in mind. Without the ability to undertake restrictions in an unfettered manner, the State would not have been able to impose the necessary reductions that have enabled the development of a balanced budget.

Requiring all appropriation reduction decisions to be explained within ten days of the decision will not provide an accurate or complete picture of the reasons for imposing any particular spending restriction due to its affect on the overall budget. This is especially true in cases when appropriations may be reduced or limited, but substituted with another method of funding in following months. Submitting written explanations immediately following reductions will only create confusion or misunderstanding.

For the above mentioned reasons, the Administration opposes SB 646 SD1.

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON FINANCE
ON
SENATE BILL NO. 646, S.D. 1

March 25, 2009

RELATING TO PUBLIC ACCOUNTABILITY

Senate Bill No. 646, S.D. 1, amends Section 37-74 (a), Hawaii Revised Statutes, to require the Governor to explain, in writing, all policy decisions to reduce, withhold, or limit appropriations approved by the Legislature. The report must be submitted no later than ten days following the effective date of the policy decision.

We are opposed to this bill. Administratively, it may be difficult to implement this bill because of the number and timing of decisions that are made to reduce or limit appropriations. — The Executive budget alone consists of over 500 appropriation accounts. Decisions may be made at the beginning of the fiscal year, quarterly, and as needed throughout the fiscal year. Decisions may be made involving a single appropriation, one or more programs, or one or more departments.