

STAND. COM. REP. NO. 1600

Honolulu, Hawaii

Apr: 19, 2009

RE: S.B. No. 387
S.D. 1
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 387, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE STATE BUDGET,"

begs leave to report as follows:

The purpose of this bill is to clarify the statutory process for appropriation transfers and changes between programs and agencies by specifying that no appropriation transfers or changes between programs or agencies are permissible without prior legislative authorization, except for certain exemptions for the University of Hawaii, Department of Education, and Hawaii Health Systems Corporation.

The Governor's Administration, Department of Budget and Finance, Department of Human Resources Development, Attorney General, and Department of Public Safety opposed this bill.

Upon further consideration, your Committee has amended this bill by:

- (1) Removing provisions requiring prior legislative authorization for appropriation transfers and changes;
- (2) Restoring provisions requiring that authorized transfers or changes be reported to the Legislature;

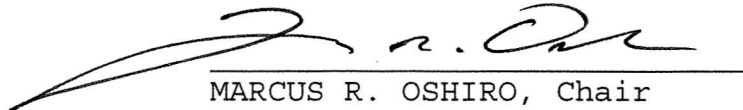
SB387 HD1 HSCR FIN HMS 2009-3412



- (3) Including provisions requiring the Governor or Director of Finance to report each restriction, made pursuant to budgetary statutes, of appropriation expenditures authorized by the Legislature, within 30 days after the end of each quarterly allotment period, and to state the reason for and impact of the restriction; and
- (4) Changing the effective date to July 1, 2020, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 387, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 387, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



MARCUS R. OSHIRO, Chair



