

JAN 23 2015

A BILL FOR AN ACT

RELATING TO STATE FINANCIAL ADMINISTRATION.

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

1 SECTION 1. Section 37-67, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "~~[+]~~ §37-67 ~~[+]~~ Responsibilities of the department of budget
4 and finance. The director of finance shall assist the governor
5 in the preparation, explanation and administration of the state
6 long-range plans, the proposed six-year program and financial
7 plan and the state budget. To this end, subject to this part,
8 the director shall:

9 (1) With the approval of the governor, develop procedures
10 and prescribe rules and regulations to guide such
11 state agencies as may be assigned by the director the
12 task of formulating and preparing the initial
13 proposals with respect to long-range plans, program
14 and financial plans, program budget requests, and
15 program performance reports and to assure the
16 availability of information needed for effective



1 policy decision-making[-], including projected
2 operating costs for all capital improvements;

3 (2) Assist such state agencies in the formulation of
4 program objectives, preparation of program plans and
5 program budget requests, and reporting of program
6 performance[-];

7 (3) Coordinate, analyze, and revise, as necessary, the
8 program objectives, long-range plans, program and
9 financial plans, program budget requests, and program
10 performance reports, including projected operating
11 costs for all capital improvements that were initially
12 proposed or prepared by such state agencies and
13 develop the state comprehensive program and financial
14 plan, budget, and program performance report[-];

15 (4) Administer its responsibilities under the program
16 execution provisions of this part so that the policy
17 decisions and budget determinations of the governor
18 and the legislature are implemented to the fullest
19 extent possible within the concepts of proper
20 management[-];



(5) Investigate continuously the administration of the various agencies for the purpose of advising the governor and recommending to the governor, the legislature, and the committees of the legislature concerning the duties of the various positions in these agencies, the methods of the agency, the standards of efficiency therein, and changes which in the director's judgment will produce greater effectiveness of programs and economy in the conduct of government programs, and assist in the preparation of program and financial plans, budget requests, and program performance reports[-]; and

(6) Provide the legislature and any member or committee of either house of the legislature with [such] documents and information, as may be requested, concerning the programs, budget, and fiscal and management operations of the State."

SECTION 2. Section 37-69, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

"(d) The program plans for the ensuing six fiscal years shall more specifically include:



- 1 (1) At the lowest level on the state program structure,
2 for each program:
- 3 (A) A statement of its objectives;
- 4 (B) Measures by which the effectiveness in attaining
5 the objectives is to be assessed;
- 6 (C) The level of effectiveness planned for each of
7 the ensuing six fiscal years;
- 8 (D) A brief description of the activities
9 encompassed;
- 10 (E) The program size indicators;
- 11 (F) The program size planned for each of the next six
12 fiscal years;
- 13 (G) A narrative explanation of the plans for the
14 program. It shall contain, and in general be
15 limited to, the following:
- 16 (i) A description of the kinds of activities
17 carried out or unusual technologies
18 employed;
- 19 (ii) A statement of key policies pursued;
- 20 (iii) Identification of important program or
21 organizational relationships involved;



- 1 (iv) A description of major external trends
2 affecting the program;
- 3 (v) A discussion of significant discrepancies
4 between previously planned cost,
5 effectiveness, and program size levels and
6 those actually achieved;
- 7 (vi) Comments on, and an interpretation of, cost,
8 effectiveness, and program size data over
9 the upcoming budget period, with special
10 attention devoted to changes from the
11 current budget period;
- 12 (vii) Comments on, and an interpretation of, cost,
13 effectiveness, and program size data over
14 the four years of the planning period and
15 how they relate to the corresponding data
16 for the budget period; and
- 17 (viii) A summary of the special analytic study,
18 program evaluation, or other analytic report
19 supporting a substantial change in the
20 program where such a major program change
21 recommendation has been made;



1 (H) The full cost implications of the recommended
2 programs, including projected operating costs for
3 all capital improvements, by cost categories and
4 cost elements, actually experienced in the last
5 completed fiscal year, estimated for the fiscal
6 year in progress, and estimated for each of the
7 next six fiscal years. The means of financing
8 shall be identified for each cost category. The
9 personal services cost element and the lease
10 payments cost element shall be shown separately;
11 the cost elements of other current expenses,
12 equipment, and motor vehicles may be combined.
13 The number of positions included in the program
14 shall be appropriately identified by means of
15 financing;

16 (I) A recapitulation of subparagraph (H) for the last
17 completed fiscal year, the fiscal year in
18 progress and each of the next six fiscal years,
19 by means of financing grouped under each cost
20 category. The number of positions included in
21 any program shall be appropriately identified;



1 (J) An identification of the revenues generated in
2 the last completed fiscal year and estimated to
3 be generated in the fiscal year in progress and
4 in each of the next six fiscal years, and the
5 fund into which such revenues are deposited;

6 (K) Details of implementation of each capital
7 improvement project included in the total program
8 cost, including:

9 (i) A description of the project, location, and
10 scope;

11 (ii) The initially estimated, currently
12 estimated, and final cost of the project,
13 including projected operating costs for all
14 capital improvements, by investment and
15 operating cost elements and by means of
16 financing;

17 (iii) The amounts previously appropriated by the
18 legislature for the project, by cost
19 elements and by means of financing specified
20 in the acts appropriating the sums, and an
21 identification of the acts so appropriating;



1 (iv) The costs incurred in the last completed
2 fiscal year and the estimated costs to be
3 incurred in the fiscal year in progress and
4 in each of the next six fiscal years, by
5 cost elements and by means of financing; and

6 (v) A commencement and completion schedule, by
7 month and year, of the various phases of the
8 capital improvement project (i.e., land
9 acquisition, design, construction, and
10 occupancy) as originally intended, as
11 currently estimated, and as actually
12 experienced; and

13 (L) A crosswalk of the program expenditures, by cost
14 categories and cost elements between the program
15 and expending agencies for the next two fiscal
16 years. The means of financing and the number of
17 positions included in the program costs to be
18 expended by each agency shall be specified; and

19 (2) Appropriate displays at every level of the state
20 program structure above the lowest level. The
21 displays shall include:



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(A) A listing of all major groupings of programs included within the level, together with the objectives, measures of effectiveness, and planned levels of effectiveness for each of the ensuing six fiscal years for each such major groupings of programs; and

(B) A summary of the total cost of each cost category by the major groupings of programs encompassed within the level, actual for the last completed fiscal year and estimated for the fiscal year in progress and for each of the next six fiscal years."

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

SECTION 4. This Act shall take effect on January 1, 2016.

INTRODUCED BY:

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S.B. NO. 288

Report Title:

Six-Year Program and Financial Plan; Operating Costs for Capital Improvements

Description:

Requires that projected operating costs of all capital improvements be included in the six-year program and financial plan. Effective 1/1/2016.

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