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# A BILL FOR AN ACT

RELATING TO THE BUDGET.

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

1       SECTION 1. The legislature finds that public funds are  
2 meant to further the public good and ensure that state  
3 government operates efficiently and effectively. It is  
4 imperative that state revenues be spent in a fiscally  
5 responsible manner and that state agencies be held accountable  
6 for their use of public funds.

7       The legislature further finds that the University of Hawaii  
8 is exempt from certain budgetary oversights and controls, which  
9 limits transparency and may cause difficulties in ensuring that  
10 the university is properly accountable for its use of public  
11 funds.

12       Consequently, the legislature finds and declares that the  
13 manner in which the University of Hawaii manages the public  
14 funds entrusted to it is a matter of statewide concern and  
15 therefore under the legislature's purview pursuant to article X,  
16 section 6 of the Hawaii State Constitution.

17       Accordingly, the purpose of this Act is to:



(1) Require the University of Hawaii to provide written notice to the director of finance no less than fifteen days prior to transferring any moneys between special funds or prior to using any special fund moneys for purposes outside the statutory purpose of the special fund; and

(2) Require the University of Hawaii to provide written notice to the director of finance no less than fifteen days prior to any appropriation transfers or changes between programs or agencies.

SECTION 2. Chapter 304A, Hawaii Revised Statutes, is amended by adding a new section to part V, subpart C, to be appropriately designated and to read as follows:

**"§304A- Transfer and use of special fund moneys.**

Notwithstanding any law to the contrary, the University of Hawaii shall be required to provide written notice to the director of finance no less than fifteen days prior to any transfer of special fund moneys between special funds and prior to any use of special fund moneys for purposes outside of the statutory purpose of the special fund."



1       SECTION 3.   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 transfers or changes, when made, shall be  
7           reported to the legislature;

8       (2)   Except with respect to appropriations to fund  
9           financing agreements under chapter 37D, the University  
10          of Hawaii may transfer appropriated funds and  
11          positions for the operating cost category among  
12          programs, among cost elements in a program, and  
13          between quarters, as applicable; provided that the  
14          University of Hawaii shall provide written notice to  
15          the director of finance no less than fifteen days  
16          prior to any transfer of appropriated funds and  
17          positions for the operating cost category among  
18          programs, and among cost elements in a program; except  
19          with respect to appropriations to fund financing  
20          agreements under chapter 37D, the department of  
21          education may transfer appropriated funds and



positions for the operating cost category among programs and among cost elements in a program, and between quarters, as applicable; and the Hawaii health systems corporation and its regional system boards may transfer special fund appropriations among regional system hospital facilities as applicable and as mutually agreed to by the corporation and the respective regional system board; provided that the Hawaii health systems corporation and the regional system boards shall maintain the integrity and services of each individual regional system and shall not transfer appropriations out of any regional system that would result in a reduction of services offered by the regional system, with due regard for statutory requirements, changing conditions, the needs of the programs, and the effective utilization of resources; and

(3) The university and the department of education shall account for each transfer implemented under this subsection in quarterly reports to the governor and annual reports at the end of each fiscal year to the

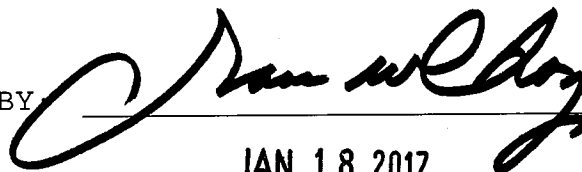


1 legislature and the governor, which shall be prepared  
2 in the form and manner prescribed by the governor and  
3 shall include information on the sources and uses of  
4 the transfer."

5 SECTION 4. New statutory material is underscored.

6 SECTION 5. This Act shall take effect on July 1, 2017.

7  
INTRODUCED BY



JAN 18 2017



# H.B. NO. 17

**Report Title:**

University of Hawaii; Budget; Program Execution; Special Funds

**Description:**

Requires UH to provide written notice to the Director of Finance no less than fifteen days prior to any transfer of special fund moneys between special funds, any use of special fund moneys for purposes outside of the statutory purpose of the special fund, and any transfer of appropriated funds and positions for the operating cost category among programs and among cost elements in a program.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

