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# A BILL FOR AN ACT

RELATING TO BUDGET-RELATED REPORTS.

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

1           SECTION 1. Section 37-70, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3           "(a) ~~[Not]~~ No later than the third Wednesday of January of  
4 each odd-numbered year, the governor shall submit to the  
5 legislature and to each member thereof ~~[7]~~ a program memorandum  
6 covering each of the major programs in the statewide program  
7 structure ~~[-]~~; provided that the governor shall ensure that each  
8 program memorandum submitted pursuant to this section accurately  
9 reflects the current responsibilities of the applicable program,  
10 addresses the current and future needs of the State, and aligns  
11 with the information submitted pursuant to section 37-71 by  
12 reviewing and updating, as necessary, the most recently  
13 submitted program memoranda. Each program memorandum ~~[will]~~  
14 shall include:

15           (1) An overview of the program as a whole, including a  
16 discussion of:

17           (A) Objectives.



- 1 (B) Component programs.
- 2 (C) Departments involved.
- 3 (D) Relationships to other agencies and
- 4 jurisdictions.
- 5 (E) Major activities.
- 6 (F) Important external developments affecting the
- 7 program.
- 8 (G) Significant discrepancies between previously
- 9 planned cost and effectiveness levels and those
- 10 actually achieved.
- 11 (H) Trends and comparisons in costs, effectiveness,
- 12 or activity data over the budget and planning
- 13 period.
- 14 (2) A statement of the major program changes being
- 15 recommended for the budget and planning period to
- 16 include for each proposed change:
  - 17 (A) A brief statement of the recommended change.
  - 18 (B) The cost and program performance consequences of
  - 19 the change over the budget and planning period.
  - 20 (C) A summary of the analytic rationale for the
  - 21 change.



- 1 (3) A discussion of emerging conditions, trends, and
- 2 issues, including:
- 3 (A) Actual or potential impact on the State and its
- 4 programs.
- 5 (B) Possible alternatives for dealing with the
- 6 specific problems occasioned by the emerging
- 7 conditions, trends, and issues.
- 8 (C) Suggestions for a program of analyses to resolve
- 9 the most urgent of the problems.
- 10 (4) Appendices as needed to include appropriate issue
- 11 papers, special analytic studies, other reports, and
- 12 crucial source data."

13 SECTION 2. Section 37-75, Hawaii Revised Statutes, is  
 14 amended to read as follows:

15 "§37-75 Variance report. Not fewer than thirty days prior  
 16 to the convening of each regular session [~~of the legislature~~],  
 17 the governor shall submit to the legislature and to each member  
 18 thereof a report on program performance for the last completed  
 19 fiscal year and the fiscal year in progress. In format, the  
 20 report generally shall follow the fiscal requirements portion of  
 21 the executive budget or budgets. The report shall include:



- 1           (1) At the lowest level of the program structure, for each
- 2                   program contained in the budget finally approved by
- 3                   the legislature for the last completed fiscal year and
- 4                   the fiscal year in progress:
- 5                   (A) A comparison, by the operating and research and
- 6                           development cost categories, of the budgeted
- 7                           expenditures and the actual expenditures for the
- 8                           last completed fiscal year and the budgeted
- 9                           expenditures and the estimated expenditures for
- 10                           the fiscal year in progress;
- 11                   (B) A comparison, for the operating and research and
- 12                           development cost categories, of the budgeted
- 13                           expenditures and position ceiling and the actual
- 14                           expenditures and positions filled in the last
- 15                           completed fiscal year and a comparison of the
- 16                           budgeted expenditures and the position ceiling
- 17                           for the fiscal year in progress and the actual
- 18                           expenditures and number of positions filled in
- 19                           the first three months of the fiscal year in
- 20                           progress and the estimated expenditures and



1            number of positions expected to be filled in the  
2            remaining months of the fiscal year in progress;  
3            (C) The program size indicators and a comparison of  
4            the program size anticipated and the size  
5            actually realized in the last completed fiscal  
6            year and the program size anticipated and the  
7            size estimated for the fiscal year in progress;  
8            provided that the governor shall ensure that each  
9            program size indicator used herein accurately  
10           reflects the current responsibilities of the  
11           applicable program, addresses the current and  
12           future needs of the State, and aligns with the  
13           information submitted pursuant to sections 37-71  
14           and 37-72 by reviewing and updating the most  
15           recently used program size indicators, as  
16           necessary;  
17           (D) The effectiveness measures and a comparison of  
18           the level of effectiveness anticipated and the  
19           level actually attained in the last completed  
20           fiscal year and the level of effectiveness  
21           anticipated and the level estimated for the



1           fiscal year in progress; provided that the  
2           governor shall ensure that each effectiveness  
3           measure used herein accurately reflects the  
4           current responsibilities of the applicable  
5           program, addresses the current and future needs  
6           of the State, and aligns with the information  
7           submitted pursuant to sections 37-71 and 37-72 by  
8           reviewing and updating the most recently used  
9           effectiveness measures, as necessary; and

10       (E) A narrative explanation of the significant  
11       differences for the last completed fiscal year in  
12       each of the comparisons made in subparagraphs  
13       (A), (B), (C), and (D), including an explanation  
14       of the basis upon which the original estimates  
15       were made and the reasons why the estimates  
16       proved accurate or inaccurate, and a statement of  
17       what the actual experience portends for the  
18       future of the program in terms of costs, size,  
19       and effectiveness;

20       provided that expenditure amounts in the comparisons  
21       shall be shown to the nearest thousand dollars;



- 1           (2) Appropriate summaries at each level of the state
- 2           program structure for each major grouping of programs
- 3           encompassed therein, showing:
- 4           (A) A comparison of the total budgeted expenditure
- 5           and the total actual expenditure for the last
- 6           completed fiscal year and the total budgeted
- 7           expenditure and the total estimated expenditure
- 8           for the fiscal year in progress; provided that
- 9           the expenditure amounts shall be shown to the
- 10          nearest thousand dollars;
- 11          (B) The effectiveness measures and a comparison of
- 12          the level of effectiveness anticipated and the
- 13          level actually attained in the last completed
- 14          fiscal year and the level of effectiveness
- 15          anticipated and the level estimated for the
- 16          fiscal year in progress; and
- 17          (C) A narrative explanation summarizing the major
- 18          reasons for the differences in the comparisons
- 19          made for the last completed fiscal year in
- 20          subparagraphs (A) and (B); and



1           (3) A narrative explanation of the significant variations  
2           in capital improvement costs; provided that capital  
3           improvement project variances shall be referenced to  
4           the six-year program and financial plan, which shall  
5           contain the information specified in  
6           section 37-69(d)(1)(K)."

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

9           SECTION 4. This Act shall take effect on July 1, 2112.



**Report Title:**

Governor; Budget-Related Reports; Program Memoranda; Variance Reports; Program Size Indicators; Effectiveness Measures; Reviews; Updates

**Description:**

Requires the Governor to ensure that the Governor's program memoranda and variance reports accurately reflect the current responsibilities of certain state programs, address the current and future needs of the State, and align with budget-related submittals. Effective 7/1/2112. (SD1)

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