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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, 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[-];i
- 2 (C) Departments involved[-];i
- 3 (D) Relationships to other agencies and
- 4 jurisdictions[-];i
- 5 (E) Major activities[-];i
- 6 (F) Important external developments affecting the
- 7 program[-];i
- 8 (G) Significant discrepancies between previously
- 9 planned cost and effectiveness levels and those
- 10 actually achieved[-];i and
- 11 (H) Trends and comparisons in costs, effectiveness,
- 12 or activity data over the budget and planning
- 13 period[-];i
- 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[-];i
- 18 (B) The cost and program performance consequences of
- 19 the change over the budget and planning
- 20 period[-];i and



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

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

17 "**§37-75 Variance report.** [~~Not~~] No fewer than thirty days  
 18 prior to the convening of each regular session [~~of the~~  
 19 ~~legislature~~], the governor shall submit to the legislature and  
 20 to each member thereof a report on program performance for the  
 21 last completed fiscal year and the fiscal year in progress. In



1 format, the report generally shall follow the fiscal  
2 requirements portion of the executive budget or budgets. The  
3 report shall include:

4 (1) At the lowest level of the program structure, for each  
5 program contained in the budget finally approved by  
6 the legislature for the last completed fiscal year and  
7 the fiscal year in progress:

8 (A) A comparison, by the operating and research and  
9 development cost categories, of the budgeted  
10 expenditures and the actual expenditures for the  
11 last completed fiscal year and the budgeted  
12 expenditures and the estimated expenditures for  
13 the fiscal year in progress;

14 (B) A comparison, for the operating and research and  
15 development cost categories, of the budgeted  
16 expenditures and position ceiling and the actual  
17 expenditures and positions filled in the last  
18 completed fiscal year; and a comparison of the  
19 budgeted expenditures and the position ceiling  
20 for the fiscal year in progress and the actual  
21 expenditures and number of positions filled in



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



1            anticipated and the level estimated for the  
2            fiscal year in progress; provided that the  
3            governor shall ensure that each effectiveness  
4            measure used accurately reflects the current  
5            responsibilities of the applicable program,  
6            addresses the current and future needs of the  
7            State, and aligns with the information submitted  
8            pursuant to sections 37-71 and 37-72 by reviewing  
9            and updating the most recently used effectiveness  
10           measures, as necessary; and  
11           (E) A narrative explanation of the significant  
12           differences for the last completed fiscal year in  
13           each of the comparisons made in subparagraphs  
14           (A), (B), (C), and (D), including an explanation  
15           of the basis upon which the original estimates  
16           were made and the reasons why the estimates  
17           proved accurate or inaccurate, and a statement of  
18           what the actual experience portends for the  
19           future of the program in terms of costs, size,  
20           and effectiveness;



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



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

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

11       SECTION 4. This Act shall take effect on June 30, 3000.



S.B. NO. 291  
S.D. 2  
H.D. 1

**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 6/30/3000. (HD1)

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