

Honolulu, Hawaii

FEB 16 2023

RE: S.B. No. 1416
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Government Operations, to which was referred S.B. No. 1416 entitled:

"A BILL FOR AN ACT RELATING TO GOVERNMENT ACCOUNTABILITY,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require any report of a study or an audit enacted with a legislative appropriation or adopted by concurrent resolution and conducted by an executive department or agency, to be submitted to the Senate President, Speaker of the House of Representatives, the chairs of the appropriate subject matter committee of each house, and the Legislative Reference Bureau library;
- (2) Require a public hearing or informational briefing within one year of receipt of the report, except under certain circumstances;
- (3) Exempt financial and other regularly occurring audits; and
- (4) Require state departments and agencies to submit a report to the Legislature on certain information regarding funded state programs enacted into law within a year of passage.



Your Committee received testimony in support of this measure from the Office of the Auditor. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that, every year, laws are enacted that require new studies and audits of various state government departments or agencies. Conducting and completing many of these studies and audits requires an appropriation and also consumes valuable time and resources of the department, agency, office, or branch of government tasked with preparing the study or audit. Your Committee also finds that the resultant report is often not widely reviewed by the Legislature or public and can sometimes go completely unnoticed despite the fact that these reports can contain valuable information. Your Committee further finds that mandating a public hearing or informational briefing that would facilitate discussion and analysis of the report findings and recommendations would better serve the public interest.

Your Committee has heard the testimony of the Office of the Auditor stating that their role is categorically dissimilar to the departments and agencies listed in the measure. Specifically, the Office of the Auditor conducts audits and prepares performance audits. Your Committee recognizes that this measure should also allow for mandatory hearings by the pertinent subject-matter committees on performance audits prepared by the legislative advocate.

Accordingly, your Committee has amended this measure by:

- (1) Removing the Auditor from the list of agencies subject to procedures for consideration of reports;
- (2) Specifying procedures for consideration of performance audit reports issued by the Office of the Auditor, including language requiring a public hearing or information briefing within one year of the issuance of the performance audit report;
- (3) Amending section 1 to reflect its amended purpose; and
- (4) Inserting an effective date of July 1, 2112, to encourage further discussion.



As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1416, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1416, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Government
Operations,



ANGUS L.K. MCKELVEY, Chair



