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## A BILL FOR AN ACT

RELATING TO FUNDING ADJUSTMENTS FOR STATE PROGRAMS.

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

1           SECTION 1. This Act is recommended by the governor for  
2 immediate passage in accordance with section 9 of article VII of  
3 the Constitution of the State of Hawaii.

4           SECTION 2. In prior years, the respective budget acts  
5 contained a budget proviso such as section 72 of Act 88, Session  
6 Laws of Hawaii 2021, the General Appropriations Act of 2021 (Act  
7 88), which permitted departments to transfer funds between their  
8 programs provided that the legislature was informed of the  
9 transfers. However, section 8 of Act 248, Session Laws of  
10 Hawaii 2022, the Supplemental Appropriations Act of 2022,  
11 repealed section 72 of Act 88, and Act 164, Session Laws of  
12 Hawaii 2023, the General Appropriations Act of 2023, does not  
13 reinstate the proviso. Consequently, although funds were  
14 appropriated to various state departments for their operating  
15 programs for fiscal year 2023-2024, the proviso's elimination  
16 has caused a critical funding emergency by limiting the ability  
17 of departments to transfer funds between their programs to  
18 address changing conditions.



# H . B. NO. 2377

**Report Title:**

Funds; Appropriations

**Description:**

Appropriates general funds to various programs for anticipated operating shortfalls due to the limited ability for departments to transfer funds between programs.

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

## JUSTIFICATION SHEET

DEPARTMENT: Budget and Finance

TITLE: A BILL FOR AN ACT RELATING TO FUNDING ADJUSTMENTS FOR STATE PROGRAMS.

PURPOSE: To provide general fund appropriations to various departments to meet operating budget shortfalls and make related general fund reductions to offset aforementioned additions due to the limited ability to transfer funds between programs within the same department.

MEANS: Add new sections to part VIII of Act 164, Session Laws of Hawaii (SLH) 2023.

JUSTIFICATION: Act 164, SLH 2023, did not contain boilerplate provisions that are generally included in the General Appropriations Act that provide the Governor with authority to transfer funds for operating purposes. This authority was previously used by the Governor to address program shortfalls within departments. Because this authority was removed, it is expected that several programs will face operating budget shortfalls.

The transfers proposed in this bill are budget-neutral and will not impact the fiscal year 2023-2024 expenditure ceiling.

Impact on the public: This bill provides a way for departments to address operating budget shortfalls due to the limited ability to transfer funds. This will ensure continued departmental services and operations which serve the public good.

Impact on the department and other agencies: This bill will benefit the departments that require funds to meet operating shortfalls.

GENERAL FUND: Undetermined.

OTHER FUNDS: None.

PPBS PROGRAM  
DESIGNATION: Various.

OTHER AFFECTED  
AGENCIES: Departments that require emergency  
appropriations to address operating  
shortfalls that were previously addressed  
through the transfer of funds.

EFFECTIVE DATE: Upon approval.