

H.B. NO. 1153

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. In prior years, the respective budget acts
2 contained budget special provisions similar to sections 50, 51,
3 and 81 of Act 88, Session Laws of Hawaii 2021, the General
4 Appropriations Act of 2021, which permitted departments to
5 transfer funds between their projects and established a protocol
6 fund as a separate account to be expended at the discretion of
7 the executive head of departments or agencies. However, Act
8 164, Session Laws of Hawaii 2023, the General Appropriations Act
9 of 2023, as amended by Act 230, Session Laws of Hawaii 2024, the
10 Supplemental Appropriations Act of 2024, does not include the
11 special provisions. Consequently, although funds were
12 appropriated to various state departments for their capital
13 improvement program projects for fiscal biennium 2023-2025, the
14 omission of the special provisions has caused operational
15 limitations by limiting the ability of departments to supplement
16 allotments and transfer funds between projects to address
17 changing conditions.

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1 The purpose of this Act is to address the omission of the
2 special provisions that authorize supplemental allotments and
3 transfer of unrequired balances for capital improvement program
4 projects and that also establish a protocol fund as a separate
5 account to be expended at the discretion of the executive head
6 of departments.

7 SECTION 2. Part VII of Act 164, Session Laws of Hawaii
8 2023, as amended by Act 230, Session Laws of Hawaii 2024, is
9 further amended by adding a new section to read as follows:

10 "SECTION 15.2. If the authorized appropriations specified
11 for capital improvement projects listed in this Act are
12 insufficient and where the source of funding is designated as
13 special funds, general obligation bond fund with debt service
14 cost to be paid from special funds, revenue bond funds, or
15 revolving funds, the governor may make supplemental allotments
16 from the special fund or revolving fund responsible for cash or
17 debt service payments for the projects or transfer unrequired
18 balances from other unlapsed projects in this Act or prior
19 appropriation acts that authorized the use of special funds,
20 general obligation bond fund with debt service costs to be paid
21 from special funds, revenue bond funds, or revolving funds;
22 provided that the supplemental allotments shall not be used to

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1 increase the scope of the project; provided further that the
2 supplemental allotments shall not impair the ability of the fund
3 to meet the purposes for which it was established."

4 SECTION 3. Part VII of Act 164, Session Laws of Hawaii
5 2023, as amended by Act 230, Session Laws of Hawaii 2024, is
6 further amended by adding a new section to read as follows:

7 "SECTION 15.3. If the authorized appropriations specified
8 for capital improvement projects listed in this Act are
9 insufficient and where the source of funding is designated as
10 airport passenger facility charge funds, the governor may make
11 supplemental allotments from the airport revenue fund or airport
12 revenue bond funds, or transfer unrequired balances from other
13 unlapsed projects in this Act or prior appropriation acts that
14 authorized the use of airport passenger facility charge funds;
15 provided that the supplemental allotments shall not be used to
16 increase the scope of the project; provided further that the
17 supplemental allotments shall not impair the ability of the fund
18 to meet the purposes for which it was established; provided
19 further that the governor, at the governor's discretion, may
20 increase the passenger facility charge fund authorization
21 ceiling for the program to accommodate the expenditure of the
22 funds."

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1 SECTION 4. Part VII of Act 164, Session Laws of Hawaii
2 2023, as amended by Act 230, Session Laws of Hawaii 2024, is
3 further amended by adding a new section to read as follows:

4 "SECTION 15.5. Of the respective operating appropriation
5 authorized in part II of this Act for each principal state
6 department as defined by section 26-4, Hawaii Revised Statutes,
7 the sum of \$7,000 in fiscal year 2024-2025 shall be made
8 available in each department to be established as a separate
9 account for a protocol fund to be expended at the discretion of
10 the executive head of the department (i.e., director,
11 chairperson, comptroller, adjutant general, superintendent,
12 president, or attorney general)."

13 SECTION 5. If any portion of this Act or its application
14 to any person, entity, or circumstance is held to be invalid for
15 any reason, then the legislature declares that the remainder of
16 the Act and each and every other provision thereof shall not be
17 affected thereby. If any portion of a specific appropriation is
18 held to be invalid for any reason, the remaining portion shall
19 be expended to fulfill the objective of such appropriation to
20 the extent possible.

21 SECTION 6. New statutory material is underscored.

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1 SECTION 7. This Act shall take effect upon its approval.

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INTRODUCED BY: *Michael K. Huber*

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BY REQUEST

JAN 21 2025

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Report Title:

Budget Special Provisions

Description:

Authorizes supplemental allotments and transfer of unrequired balances for capital improvement program projects and establishes a protocol fund for each state principal department. Effective upon approval.

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

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JUSTIFICATION SHEET

DEPARTMENT: Transportation

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

PURPOSE: To address the omission of the budget special provisions that authorize supplemental allotments and transfer of unrequired balances for capital improvement program projects and to establish a protocol fund as a separate account to be expended at the discretion of the executive head of departments.

MEANS: Add three new sections to part VII of Act 164, Session Laws of Hawaii 2023, as amended by Act 230, Session Laws of Hawaii 2024.

JUSTIFICATION: In prior years, the respective budget acts contained budget special provisions similar to sections 50, 51, and 81 of Act 88, Session Laws of Hawaii 2021, the General Appropriations Act of 2021, which permitted departments to transfer funds between their projects and established a protocol fund as a separate account to be expended at the discretion of the executive head of departments or agencies. However, Act 164, Session Laws of Hawaii 2023, the General Appropriations Act of 2023, as amended by Act 230, Session Laws of Hawaii 2024, the Supplemental Appropriations Act of 2024, does not include the special provisions. Consequently, although funds were appropriated to various state departments for their capital improvement program projects for fiscal biennium 2023-2025, the omission of the special provisions has caused operational limitations by limiting the ability of departments to supplement allotments and transfer funds between projects to address changing conditions.

The purpose of this Act is to address the omission of the special provisions that

authorize supplemental allotments and transfer of unrequired balances for capital improvement program projects and that also establish a protocol fund as a separate account to be expended at the discretion of the executive head of departments or agencies. The departmental protocol fund is currently administratively established at \$2,500. This bill would increase that amount to \$7,000.

Impact on the public: This bill provides a way for departments to address changing conditions. This will ensure delivery and completion of projects that serve the public good.

Impact on the department and other agencies: This bill will benefit the departments that the Legislature has authorized to expend appropriations for capital improvement program projects.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: Various.

OTHER AFFECTED AGENCIES: This bill will benefit the departments that the Legislature has authorized to expend appropriations for capital improvement program projects and supersedes Comptroller's Memorandum No. 2003-22, dated September 29, 2003.

EFFECTIVE DATE: Upon approval.