

## ACT 347

S.B. NO. 2338

A Bill for an Act Relating to Legislative Management.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. In accordance with Section 9 of Article VII of the Constitution of the State of Hawaii and sections 37-91 and 37-93, Hawaii Revised Statutes, the legislature has determined that the appropriations contained in this Act will cause the state general fund expenditure ceiling for fiscal year 1990-1991 to be exceeded by \$2,517,500, or 0.099 per cent. The reasons for exceeding the general fund expenditure ceiling are that the appropriations made in this Act are necessary to serve the public interest and to meet the needs provided for by this Act.

## PART I

SECTION 2. The Hawaii Revised Statutes is amended by adding a new chapter to be appropriately designated and to read as follows:

**“CHAPTER  
LEGISLATIVE FISCAL AND BUDGET ANALYSIS**

§ -1 **Purpose.** The legislature finds that most states have a separate fiscal policy office in the legislative branch that works effectively to provide the legislature with necessary revenue and expenditure data and analyses from which economic and fiscal policies are developed. In Hawaii, the legislature relies on the economic and fiscal analyses of the executive branch and private sector. The legislature believes that this dependency creates an inherent conflict of interest that precludes the legislature from operating independently.

Modern legislatures have become sophisticated data gatherers and analysts, on par with the executive and judiciary branches. Over the last five years, this shift has been accelerated through the development of professional, highly specialized legislative staff.

Since Hawaii’s legislature meets for only four months of the year, it has come to rely heavily on the use of session-only legislative staff or employees on loan from the executive branch. In 1988, the state house and senate together employed 621 session staff members as compared to 151 permanent employees. Only New York, the state with the most legislative staff in the country, had more session staff than Hawaii.

The purpose of this chapter is to establish a permanent legislative committee to provide the legislature with information, facts, and analyses concerning fiscal, budgetary, and tax matters of the State. It is the legislature's intent that the committee, with the assistance of the office of the legislative analyst, shall perform independent, in-depth analysis of the State's budget, revenues and expenditures, economic conditions, and tax policies.

§ -2 **Definitions.** As used in this chapter, unless the context requires otherwise:

"Committee" means the joint legislative budget committee.

"House" means the state house of representatives.

"Office" means the office of the legislative analyst.

"Senate" means the state senate.

§ -3 **Joint legislative budget committee established; purpose.** The joint legislative budget committee is hereby established. The committee shall ascertain facts and make recommendations to the legislature and to the houses thereof concerning: the state budget; the revenues and expenditures of the State; the organization and functions of the State, its departments, subdivisions, and agencies; and other matters as may be provided for in the rules of the senate and the rules of the house. The committee shall have a continuing existence and may meet, act, and conduct its business at any place within this State, during the sessions of the legislature or any recess, and in the interim period between sessions.

§ -4 **Selection of members; co-chairpersons; filling vacancies.** The committee shall consist of five members of the senate and five members of the house who shall be selected in the manner provided for in the rules of the senate and the rules of the house. The president of the senate and the speaker of the house shall select the members of the committee, including members of the majority leadership, members of the minority leadership, the chairperson of the senate ways and means committee, and the chairperson of the house finance committee. The chairperson of the senate ways and means committee and the chairperson of the house finance committee shall serve as co-chairpersons of the committee. Vacancies occurring in the membership of the committee shall be filled in the manner provided for in the rules of the senate and the rules of the house. A vacancy shall be deemed to exist as to any member of the committee whose term is expiring whenever the member is not reelected at the general election.

§ -5 **Rules.** The committee is authorized to adopt rules governing its own proceedings and to create subcommittees from its membership and assign to the subcommittees any study, inquiry, investigation, or hearing that the committee itself has authority to undertake or hold.

§ -6 **Office of the legislative analyst established.** (a) There is established the office of the legislative analyst to be administered by the committee. The committee shall appoint a legislative analyst who shall serve for a period of four years. The committee, by a three-fourths vote of its members, may remove the legislative analyst from office, but only for cause. The committee shall fix the salary of the legislative analyst.

(b) The legislative analyst may employ other clerical and technical employees as may be necessary to carry out the functions of the office. The legislative analyst and other clerical and technical employees shall be entitled to

participate in any employee benefit program plan or privilege generally available to state employees.

**§ -7 General purposes of analyst.**<sup>1</sup> The purpose of the office of the legislative analyst shall be:

- (1) To provide the legislature with research and analysis of current and projected state revenues and expenditures;
- (2) To provide the legislature with a report analyzing the governor's proposed levels of revenue and expenditures for biennial budgets submitted under chapter 37 as well as other supplemental budget submittals to the legislature by the governor;
- (3) To provide an analysis of the impact of the governor's proposed revenue and expenditure plans for the next biennium;
- (4) To conduct research matters of economic and fiscal policy and to report to the legislature on the result of the research;
- (5) To provide economic reports and studies on the state of the State's economy, including trends and forecasts for consideration by the legislature;
- (6) To conduct budget and tax studies and provide general fiscal and budgetary information;
- (7) To review and make recommendations on the operation of state programs in order to appraise the implementation of state laws regarding the expenditure of funds and to recommend means of improving their efficiency; and
- (8) To recommend to the legislature changes in the mix of revenue sources for programs, in the percentage of state expenditures devoted to major programs, and in the role of the legislature in overseeing state government expenditures and revenue projections.

(b) In performing the duties under subsection (a), the legislative analyst shall consider, among other things:

- (1) The relative dependence on state tax revenues, federal funds, and user fees to support state-funded programs, and whether the existing mix of revenue sources is appropriate, given the purposes of the programs;
- (2) The relative percentages of state expenditures that are devoted to major programs such as education, assistance to local government, aid to individuals, state agencies and institutions, and debt service; and
- (3) The role of the legislature in overseeing state government expenditures, including legislative appropriation of money from the general fund, legislative appropriation of money from funds other than the general fund, state agency receipt of money into revolving and other dedicated funds and expenditure of money from these funds, and state agency expenditure of federal funds.

**§ -8 Agencies to cooperate.** All departments, agencies, and education institutions of the executive and judicial branches, the office of Hawaiian affairs, and the University of Hawaii shall comply with requests of the office of the legislative analyst for information, data, estimates, and statistics on the funding revenue operations, and other affairs of the department, agency, education institution, the office of Hawaiian affairs, or University of Hawaii. The comptroller, the director of finance, the director of taxation, the administrative director of the courts, the administrator of the office of Hawaiian affairs, and the president of the University of Hawaii shall provide the office of the legislative

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analyst with full and free access to information, data, estimates, and statistics in the possession of their respective departments on the state budget, revenue, expenditures, and tax revenue and expenditures.”

SECTION 3. The joint legislative budget committee shall submit a report to the legislature no later than twenty days prior to the convening of the regular session of 1991 on the progress of the establishment of the office of the legislative analyst. The report shall include, but not be limited to:

- (1) A statement of the specific powers and duties of the joint legislative budget committee vis-a-vis the office of the legislative analyst, including the guidelines under which the office of the legislative analyst shall operate;
- (2) An organizational and functional plan which shall include a mission statement, goals, objectives, and staff requirements for the office;
- (3) Recommendations for legislation, if necessary, to revise the law establishing the joint legislative budget committee and the office of the legislative analyst to more accurately reflect the powers and duties of those entities; and
- (4) A proposed budget for the 1991-1993 biennium for the office of the legislative analyst.

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$100,000, or so much thereof as may be necessary for fiscal year 1990-1991, for the operations of the office of the legislative analyst, including the payment of salaries of the legislative analyst, two assistants, and other technical and clerical employees as may be necessary, and the purchase of necessary equipment.

The sum appropriated shall be expended by the office of the legislative analyst for the purposes of this part.

SECTION 5. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,200,000, or so much thereof as may be necessary for fiscal year 1990-1991, to be allocated as follows:

House of Representatives	\$600,000
Senate	\$600,000

The moneys shall be used for upgrading and developing the legislature's budget analysis software, hardware, equipment, staffing, and any other resources necessary to facilitate more efficient operation and management of the legislature.

The sum appropriated shall be expended by the legislature for the purposes of this Act.

## PART II

SECTION 6. The legislature finds that advances in telecommunications and information technology present significant opportunities for the State, especially for the legislative branch of government, to increase the overall efficiency of the legislature and to develop and promote better public access to this data. The present telecommunication infrastructure of the State provides an exciting array of services among state governmental agencies, including video conference centers, voice communication systems, facsimile and image processing systems, local area networks, microwave communication, satellite uplink, and fiber optic technology.

The legislature finds that through its earlier actions in the 1980's, the infrastructure for positioning Hawaii in the ages of information and the Pacific

has been established. The infrastructure of local information providers is being developed and international telecommunications linkages will be established between Hawaii and countries in the Pacific Rim.

Although the infrastructure has been established, the legislature finds that its continued leadership and guidance is needed in the 1990's to:

- (1) Encourage public and consumer education and awareness of telecommunications and information services and their importance to the social and economic future of the State of Hawaii;
- (2) Promote the development of information services by the public sector;
- (3) Begin to establish the "critical mass" of users to access public and private information services; and
- (4) Develop statewide education-related databases as part of the state information network in order to provide students with a major "magnet" information service that will help prepare them for the information age technically and intellectually.

The legislature finds that resources must be committed to the development of public access terminals, especially in the schools and libraries, and that there are many government information services that should be made accessible to the public in order to provide the basis of "magnet" services that will foster the development of private and additional public information providers. Special emphasis will also be placed upon the development of information services that will attract youthful users, such as school library databases, chatlines, e-mail services, and other educational databases. Being able to access and use information through the use of the State's gateway system is an essential part of providing young people, the leaders of tomorrow, with a knowledge base that will prepare them for life-long learning in an information-literate society. The legislature further anticipates that it will focus in the 1990's on the development of private information providers.

The legislature further finds that it is equally important to improve public access to legislative facilities, such as providing benches outside conference rooms for the public to use while waiting for public hearings.

The purpose of this Act is to appropriate funds to promote improved public access throughout the State of Hawaii through technological and other means.

**SECTION 7.** There is appropriated out of the general revenues of the State of Hawaii the sum of \$425,000, or so much thereof as may be necessary for fiscal year 1990-1991, for the provision of public access terminals and related communications lines, software development, and technical staffing in schools and school libraries.

The sum appropriated shall be expended by the department of education for the purposes of this Act.

**SECTION 8.** There is appropriated out of the general revenues of the State of Hawaii the sum of \$200,000, or so much thereof as may be necessary for fiscal year 1990-1991, for the provision of public access terminals and related communications lines, software development, and technical staffing for the Hawaii state public library system.

The sum appropriated shall be expended by the department of education for the purposes of this Act.

**SECTION 9.** There is appropriated out of the general revenues of the State of Hawaii the sum of \$507,500, or so much thereof as may be necessary for

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fiscal year 1990-1991, for the acquisition of public access terminals and other related equipment in all libraries in the University of Hawaii system, including the Richardson school of law and the community colleges.

The sum appropriated shall be expended by the University of Hawaii for the purposes of this Act.

**SECTION 10.** There is appropriated out of the general revenues of the State of Hawaii the sum of \$15,000, or so much thereof as may be necessary for fiscal year 1990-1991, for the acquisition of public access terminals and related communications lines in neighbor island state office buildings.

The sum appropriated shall be expended by the department of budget and finance for the purposes of this Act.

**SECTION 11.** There is appropriated out of the general revenues of the State of Hawaii the sum of \$40,000, or so much thereof as may be necessary for fiscal year 1990-1991, for the acquisition of public access terminals, related communications lines, and other related equipment in all court libraries.

The sum appropriated shall be expended by the judiciary for the purposes of this Act.

**SECTION 12.** There is appropriated out of the general revenues of the State of Hawaii the sum of \$30,000, or so much thereof as may be necessary for fiscal year 1990-1991, for the installation of benches outside conference rooms at the state capitol to accommodate testifiers and other members of the public attending public hearings.

The sum appropriated shall be expended by the department of accounting and general services for the purposes of this Act.

**SECTION 13.** This Act shall take effect on July 1, 1990.

(Approved July 9, 1990.)

### **Note**

1. So in original.