

## ACT 125

H.B. NO. 148

A Bill for an Act Relating to the Budget.

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

SECTION 1. The purpose of this Act is to require the state administration to submit the six-year program and financial plan, the budget, the supplemental budget, and the variance report to the legislature thirty days before the convening of the appropriate legislative session.

SECTION 2. Section 37-69, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) The governor shall prepare a state six-year program and financial plan encompassing all state programs. Not [less] fewer than [twenty] thirty days before the legislature convenes in every odd-numbered year, the governor shall submit to the legislature and to each member thereof[,] the six-year program and financial plan. The program and financial plan shall be annually and continually updated and maintained. The program and financial plan [shall], in general, shall contain:

- (1) The state program structure[.];
- (2) Statements of statewide objectives and program objectives[.];
- (3) Program plans [which] that describe the programs recommended to implement the statewide and program objectives and the manner in which the recommended programs are proposed to be implemented over the next six fiscal years[.]; and
- (4) A financial plan [which] that shows the fiscal implications of the recommended programs for the next six fiscal years.”

SECTION 3. Section 37-71, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Not [less] fewer than [twenty] thirty days before the legislature convenes in every odd-numbered year, the governor shall submit to the legislature and to each member thereof[,] a budget [which] that shall contain the program and budget recommendations of the governor for the succeeding two fiscal years. The budget [shall], in general, shall contain:

- (1) The state program structure[.];
- (2) Statements of statewide objectives[.];

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- (3) The financial requirements for the next two fiscal years to carry out the recommended programs[.]; and
- (4) A summary of state receipts and revenues in the last completed fiscal year, a revised estimate for the fiscal year in progress, and an estimate for the succeeding biennium.”

SECTION 4. Section 37-72, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Not [less] fewer than [twenty] thirty days before the legislature convenes in regular session in an even-numbered year, the governor may submit to the legislature a supplemental budget to amend any appropriation for the current fiscal biennium. The supplemental budget shall reflect the changes being proposed in the State’s program and financial plan and shall be submitted as applicable, in the manner provided in section 37-71. In any supplemental budget [which] that proposes appropriations for which the source of funding is general obligation bonds, the budget shall include the schedule, declaration, and computation specified in section 37-71(d)(6).”

SECTION 5. Section 37-75, Hawaii Revised Statutes, is amended to read as follows:

“**§37-75 Variance report.** Not [less] fewer than [twenty] thirty days prior to the convening of each regular session of the legislature, the governor shall submit to the legislature and to each member thereof a report on program performance for the last completed fiscal year and the fiscal year in progress. In format, the report [shall] generally shall follow the fiscal requirements portion of the executive budget or budgets. The report shall include:

- (1) At the lowest level of the program structure, for each program contained in the budget finally approved by the legislature for the last completed fiscal year and the fiscal year in progress:
  - (A) A comparison, by the operating and research and development cost categories, of the budgeted expenditures and the actual expenditures for the last completed fiscal year and the budgeted expenditures and the estimated expenditures for the fiscal year in progress[.];
  - (B) A comparison, for the operating and research and development cost categories, of the budgeted expenditures and positions authorized and the actual expenditures and positions filled in the last completed fiscal year and a comparison of the budgeted expenditures and the number of positions authorized for the fiscal year in progress and the actual expenditures and number of positions filled in the first three months of the fiscal year in progress and the estimated expenditures and number of positions expected to be filled in the remaining months of the fiscal year in progress[.];
  - (C) The program size indicators[.], and a comparison of the program size anticipated and the size actually realized in the last completed fiscal year and the program size anticipated and the size estimated for the fiscal year in progress[.];
  - (D) The effectiveness measures[.], and a comparison of the level of effectiveness anticipated and the level actually attained in the

last completed fiscal year and the level of effectiveness anticipated and the level estimated for the fiscal year in progress[.]; and

- (E) A narrative explanation of the significant differences for the last completed fiscal year in each of the comparisons made in subparagraphs (A), (B), (C), and (D), including an explanation of the basis upon which the original estimates were made and the reasons why [such] the estimates proved accurate or inaccurate, and a statement of what the actual experience portends for the future of the program in terms of costs, size, and effectiveness[.

Expenditure]; provided that expenditure amounts in the comparisons shall be shown to the nearest thousand dollars[.];

- (2) Appropriate summaries at each level of the state program structure for each major grouping of programs encompassed therein, showing:
- (A) A comparison of the total budgeted expenditure and the total actual expenditure for the last completed fiscal year and the total budgeted expenditure and the total estimated expenditure for the fiscal year in progress[. The]; provided that the expenditure amounts shall be shown to the nearest thousand dollars[.];
- (B) The effectiveness measures[,] and a comparison of the level of effectiveness anticipated and the level actually attained in the last completed fiscal year and the level of effectiveness anticipated and the level estimated for the fiscal year in progress[.]; and
- (C) A narrative explanation summarizing the major reasons for the differences in the comparisons made for the last completed fiscal year in subparagraphs (A) and (B)[.]; and
- (3) [Significant] A narrative explanation of the significant variations in capital improvement costs [will be explained in the narrative. Capital]; provided that capital improvement project variances [will] shall be referenced to the six-year program and financial plan, which [will] shall contain the information specified in section 37-69(d)(1)(K).”

SECTION 6. Statutory material to be repealed is bracketed. New statutory material is underscored.

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

(Approved May 22, 1991.)