

ACT 150

S.B. NO. 254

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 address the budget.

More specifically, this Act requires summaries of the following information collected by the director of finance from executive agencies to be included in the multi-year program and financial plan and the executive budget documents submitted in odd-numbered years and the supplemental budget in even-numbered years:

- (1) The estimated operational costs of proposed capital improvement projects. Act 135, Session Laws of Hawaii 2014, requires the director of finance to collect the information; and
- (2) The deferred maintenance costs for state-owned buildings, facilities, and other improvements.

The legislature intends that the judiciary submit to the legislature similar estimated operational cost information on its proposed capital improvement projects by operation of section 601-2, Hawaii Revised Statutes.

SECTION 2. Section 37-68, Hawaii Revised Statutes, is amended to read as follows:

“§37-68 Responsibilities of agencies. Under rules as may be prescribed by the director of finance with the approval of the governor:

- (1) Each agency assigned the task of developing programs and preparing program and financial plans, budgetary requests, and program performance reports shall develop the programs and prepare the plans, requests, and reports and submit the same to the director of finance at times, on forms, and in a manner as the director may prescribe. For informational purposes, the University of Hawaii shall submit its program and financial plans, budgetary requests, and program performance reports to the legislature at the same time the university submits them to the director of finance. Where new programs are being proposed, each agency shall demonstrate that the program:
 - (A) Is an appropriate function of state government; and, as applicable
 - (B) Can be implemented by the public sector as cost-effectively as the private sector while meeting the same plans, goals, objectives, standards, measures of effectiveness, wage, salary, conditions of employment, and employee benefit programs of the State;
- (2) Each agency administering state programs and each agency responsible for the formulation of programs and the preparation of program and financial plans, budgetary requests, and program performance reports, shall furnish the department of budget and finance all documents and information as the department may from time to time require. Each agency shall make available all documents and information, as may be requested, to the legislature and any member or committee of either house of the legislature;
- (3) The director of finance or any employee of the department of budget and finance, when duly authorized, for the purpose of securing information, shall have access to and may examine any books, documents, papers, or records of any agency; ~~and~~
- (4) Each agency submitting a capital improvement project proposal shall furnish the department of budget and finance with an estimate of operational costs for the proposed capital improvement project and all documents that support the estimate of operational costs. Each agency shall make available all documents and related information, as may be requested, to the legislature and any member or committee of either house.

The director of finance shall provide a summary of this information in the multi-year program and financial plan and budget submitted to the legislature before the regular session of each odd-numbered year and the supplemental budget submitted to the legislature before the regular session of each even-numbered year; and

(5) Each agency responsible for operating or maintaining a state-owned building, facility, or other improvement shall furnish the department of budget and finance with an estimate of the deferred maintenance costs for the building, facility, or other improvement.

The director of finance shall provide a summary of this information in the multi-year program and financial plan and budget submitted to the legislature before the regular session of each odd-numbered year and the supplemental budget submitted to the legislature before the regular session of each even-numbered year.

For the purposes of this paragraph, "deferred maintenance costs" means the costs to catch-up on the repair and maintenance of the state-owned building, facility, or other improvement that

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has been delayed past the ordinarily scheduled repair and maintenance cycle. The department of budget and finance may further refine this definition in its instructions to the agencies furnishing the information.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2016.

(Approved June 26, 2015.)