

ACT 169

S.B. NO. 712

A Bill for an Act Relating to the Variance Report.

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

SECTION 1. The legislature finds that the variance report submitted annually by the governor to the legislature generally includes only a summary of budgeted appropriations and actual expenditures. The legislature also finds that consideration should be given to whether including additional information in the variance report would help the legislature better monitor the actual budgetary performances of the departments.

The legislature, however, recognizes that state resources would need to be committed to collecting, preparing, and reporting the additional information. The legislature finds that consideration should be given to whether the benefit gained by the additional budgetary information outweighs the possible negative impacts of diverting state resources from other duties.

The purpose of this Act is to require the governor to submit to the legislature before the regular session of 2019:

- (1) Summarized comparisons by executive department of the following:
 - (A) Total budgeted and actual expenditures for fiscal year 2017-2018 and total budgeted and estimated expenditures for fiscal year 2018-2019;
 - (B) The position ceiling and positions filled for fiscal year 2017-2018 and position ceiling and positions estimated to be filled for fiscal year 2018-2019; and

- (2) A recommendation on whether similar information should be included in future variance reports.

SECTION 2. For the purpose of this Act:

“Cost elements”, “means of financing”, “operating costs”, “permanent position”, “position ceiling”, and “temporary position” have the same meanings as in section 37-62, Hawaii Revised Statutes.

“Variance report” means the variance report required by section 37-75, Hawaii Revised Statutes.

SECTION 3. (a) The governor shall submit to the legislature the information specified under section 4 with the variance report submitted to the legislature before the regular session of 2019. The governor may include the information in the variance report or a document separate from the variance report.

(b) The governor, after consultation with the director of finance, shall submit to the legislature a recommendation on whether information similar to that required by this Act should be included in future variance reports. The recommendation shall be submitted in the same document in which the information under subsection (a) is submitted.

SECTION 4. The information required to be submitted by the governor shall be the following for each executive department:

- (1) A summary comparing by the operating cost category:
- (A) The total budgeted expenditure and total actual expenditure for fiscal year 2017-2018 and total budgeted expenditure and total estimated expenditure for fiscal year 2018-2019; provided that the expenditure amounts shall be shown to the nearest thousand dollars. The comparison shall include breakdowns by cost elements and means of financing for the cost elements; and
 - (B) The position ceiling and actual number of permanent and temporary positions filled in fiscal year 2017-2018 and the position ceiling and estimated number of permanent and temporary positions to be filled in fiscal year 2018-2019. The comparison shall include breakdowns by means of financing for the positions.

SECTION 5. This Act shall take effect on July 1, 2018.

(Approved July 11, 2017.)