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# A BILL FOR AN ACT

RELATING TO THE BUDGET.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The purpose of this Act is to address the state  
2 budget.

3           More specifically, this Act requires information on the  
4 estimated future debt service for a proposed capital improvement  
5 project to be included in the budget documents submitted to the  
6 legislature. The legislature finds that the information is  
7 necessary to make the best decisions regarding the funding of  
8 proposed capital improvement projects.

9           The legislature intends that this Act also apply to the  
10 judiciary budget by operation of section 601-2, Hawaii Revised  
11 Statutes.

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

14           "**§37-68 Responsibilities of agencies.** (a) Under rules as  
15 may be prescribed by the director of finance with the approval  
16 of the governor:

17           (1) Each agency assigned the task of developing programs  
18 and preparing program and financial plans, budgetary



1 requests, and program performance reports shall  
2 develop the programs and prepare the plans, requests,  
3 and reports and submit the same to the director of  
4 finance at times, on forms, and in a manner as the  
5 director may prescribe. For informational purposes,  
6 the University of Hawaii shall submit its program and  
7 financial plans, budgetary requests, and program  
8 performance reports to the legislature at the same  
9 time the university submits them to the director of  
10 finance. Where new programs are being proposed, each  
11 agency shall demonstrate that the program:  
12 (A) Is an appropriate function of state government;  
13 and, as applicable  
14 (B) Can be implemented by the public sector as cost-  
15 effectively as the private sector while meeting  
16 the same plans, goals, objectives, standards,  
17 measures of effectiveness, wage, salary,  
18 conditions of employment, and employee benefit  
19 programs of the State;  
20 (2) Each agency administering state programs and each  
21 agency responsible for the formulation of programs and



1 the preparation of program and financial plans,  
2 budgetary requests, and program performance reports,  
3 shall furnish the department of budget and finance all  
4 documents and information as the department may from  
5 time to time require. Each agency shall make  
6 available all documents and information, as may be  
7 requested, to the legislature and any member or  
8 committee of either house of the legislature;

9 (3) The director of finance or any employee of the  
10 department of budget and finance, when duly  
11 authorized, for the purpose of securing information,  
12 shall have access to and may examine any books,  
13 documents, papers, or records of any agency; and

14 (4) Each agency submitting a capital improvement project  
15 proposal shall furnish the department of budget and  
16 finance with an estimate of operational costs for the  
17 proposed capital improvement project and all documents  
18 that support the estimate of operational costs. Each  
19 agency shall make available all documents and related  
20 information, as may be requested, to the legislature  
21 and any member or committee of either house.



1        (b) The director of finance shall include, in the six-year  
2 program and financial plan and budget submitted before each odd-  
3 numbered year and supplemental budget submitted before each  
4 even-numbered year, a summary of the following:

5        (1) The projected annual debt service for bonds intended  
6 to finance capital improvement projects,  
7 appropriations for which are proposed during the six  
8 fiscal years covered by the financial plan and budget  
9 or supplemental budget, as applicable. The  
10 information shall be listed from the fiscal year of  
11 the first debt service payment on the bonds until the  
12 fiscal year of the last debt service payment on the  
13 bonds;

14        (2) The projected annual debt service for bonds used or  
15 planned to be used to finance capital improvement  
16 projects, appropriations for which were made before  
17 the first fiscal year covered by the financial plan  
18 and budget or supplemental budget, as applicable. The  
19 information shall be listed for the same fiscal years  
20 required under paragraph (1); and



1       (3) The sum of the projected annual debt service under  
2           paragraphs (1) and (2) for the same fiscal years  
3           required under paragraph (1).

4 The summary shall categorize the information by program, bond  
5 category, and means of financing for the debt service payments.

6       The summary required by this subsection shall be in  
7 addition to any other information on the debt ceiling;  
8 authorized, issued, and outstanding bonds; or debt service  
9 payment schedule that the director of finance is required to  
10 include in the six-year program and financial plan and budget or  
11 supplemental budget."

12       SECTION 3. New statutory material is underscored.

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



**Report Title:**

Budget Documents; CIP Estimated Debt Service

**Description:**

Requires the inclusion, in the six-year program and financial plan and budget, of a summary of the annual debt service for bonds issued to finance capital improvement projects. States intent that the provisions also apply to the judiciary budget by operation of existing law. Effective 7/1/2016. (CD1)

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

