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DEPARTMENT OF BUDGET AND FISCAL SERVICES
KA 'OIHANA MĀLAMA MO'OHELU A KĀLĀ
CITY AND COUNTY OF HONOLULU

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September 30, 2025

The Honorable Tommy Waters
Chair and Presiding Officer
and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawai'i 96813

Dear Chair Waters and Councilmembers:

SUBJECT: Opposition to Bill 65 (2025) - Relating to Budget Execution

The Department of Budget and Fiscal Services (BFS) opposes Bill 65 (2025). This bill requires that the BFS Director compile and submit a consolidated report to the Council on a quarterly and annual basis, starting December 31, 2025, and July 1, 2026, respectively. The report must include a summary of all individual fund transfers between activities, as well as all individual fund transfers between different characters of expenditure for the same activity, occurring each quarter, presented in a specified format.

This measure imposes numerous reporting requirements that will create an additional administrative burden. Section 2-17.2 of the Revised Ordinances of Honolulu 2021 (ROH) already requires a monthly report of all individual fund transfers between categories of expenditures and between activities, which must be filed with the Office of the City Clerk within 15 days after the end of each month. The quarterly report required by this proposed bill would demand a significant investment of time from Fiscal and Budget staff, as it necessitates compiling information for the preceding 11 quarterly periods. Additionally, the required annual report contains similar information to that required in the current monthly report, and new quarterly report proposed in Bill 65 (2025).

According to ROH Section 2-17.2, city agencies are already required to submit any cumulative transfers to the Council for approval via a resolution. This applies to transfers between activities in excess of $100,000 or 10 percent of the amount

appropriated and transfers of funds between characters of expenditure within the same activity that exceed $100,000 or the greater of 10% of the amount appropriated or $10,000.

For these reasons, we respectfully oppose this bill, as it would impose an additional administrative burden. Instead of focusing on program execution, more staff time will be spent preparing these reports.

Thank you for the opportunity to provide testimony on this bill. Please contact me at (808) 768-3901 with any questions you may have.

Sincerely,

Andrew T. Kawano
Director

APPROVED:

Michael D. Formby, Managing Director
Office of the Managing Director