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DEPARTMENT OF BUDGET AND FISCAL SERVICES
KA ʻOIHANA MĀLAMA MOʻOHELU A KĀLĀ
CITY AND COUNTY OF HONOLULU

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October 13, 2025

The Honorable Val Okimoto, Chair
and Members
Committee on Budget
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaiʻi 96813

Dear Chair Okimoto and Councilmembers:

SUBJECT: Opposition to Bill 64 (2025) - Relating to Appropriations

The Department of Budget and Fiscal Services (BFS) opposes Bill 64 (2025), which requires a report on lapsed appropriations from the executive operating and executive capital budgets for the current fiscal year and the two preceding fiscal years. This report, to be submitted in the format outlined in Exhibit A, would need to be provided at the same time that the Mayor submits the budget documents, as specified in Charter § 9-102.1.

This measure will create an additional administrative burden and duplicate an existing report already provided. Currently, information regarding lapsed appropriations for previous years is already provided in accordance with Charter § 6-203(p). This provision requires the Budget and Fiscal Services Director to submit financial reports to the Mayor and City Council at least quarterly, which include information on lapsed appropriations.

Most importantly, when the Mayor submits the budget, there are still four (4) months remaining in the fiscal year. We cannot assume that most or all amounts that have not been expended or encumbered by that time will necessarily lapse. It will also be challenging for departments and BFS to accurately predict the potential lapse for the current fiscal year, given the uncertainties surrounding the possibility of public emergencies, contract execution, and unknown bid outcomes.

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Lastly, Exhibit A uses terms such as "Net Appropriation" and "Potential Appropriation Lapse," which require definitions for clarity.

We respectfully oppose this bill, as it creates an unnecessary administrative burden and provides information on potential lapses that is both misleading and premature. Rather than focusing on improving program execution to provide services to the public, valuable staff time will be diverted to prepare these unnecessary 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