

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

530 SOUTH KING STREET, ROOM 208 • HONOLULU, HAWAII 96813
PHONE: (808) 768-3900 • FAX: (808) 768-3179 • WEBSITE: honolulu.gov/budget

RICK BLANGIARDI
MAYOR
MEJA



ANDREW T. KAWANO
DIRECTOR
PO'O

CARRIE CASTLE
DEPUTY DIRECTOR
HOPE PO'O

October 5, 2026

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

Dear Chair Waters and Councilmembers:

SUBJECT: Proposed Revisions to Bill 77 (2025) – Relating to Budget Execution

The Department of Budget and Fiscal Services ("BFS") is opposed to City Council's Bill 77 (2025), which requires the Administration to provide specified authorized legislative users with direct access to budget management software systems necessary to enable real-time tracking and monitoring of expenditures pursuant to the operating and capital budget ordinances.

As stated in Department Communication No. 20 (2026), the requirements of Bill 77 go beyond what is needed for the stated purpose of monitoring expenditures, and (1) will result in the unnecessary disclosure of confidential or private information, (2) could interfere with BFS's budgetary executive function (if access to its Budget Management System is required) and potentially violate the separation of powers doctrine, (3) goes beyond the requirements of Revised Charter of Honolulu ("RCH") § 9-106, and (4) would overburden the BFS Accounting and Fiscal Services Division, who would be tasked with assisting to interpret the data in FIN reports and answering the users' questions, thereby interfering with their primary responsibilities, including processing payments, monitoring budgets, assisting departments, and performing other essential function to enable City operations.

Furthermore, RCH Section 9-102 relating to "Preparation and Submission of the Program and Annual Budget for the Executive Branch," states, in part:

DEPT. COM. 617(26)

"1. Not less than one hundred twenty days prior to the end of each fiscal year, the mayor shall prepare and submit to the council:

- (a) An operating and capital program and a statement of relationships between the operating and capital components for the ensuing six fiscal years for the executive branch.
- (b) An operating and capital budget and a statement of relationships between operating and capital items for the ensuing fiscal year for the executive branch.
- (c) An accompanying message and necessary proposed ordinances for the ensuing fiscal year. The proposed budget ordinances shall be in a form prescribed by law.
- (d) Such other information as may be requested by the council."

Consequently, RCH Section 9-104.1 relating to "Consideration and Adoption by Council," states, in part:

"Upon receipt of the executive program, annual budget, and proposed ordinances from the mayor, the council shall immediately notify the public of its intention to hold public hearings on the proposed executive program and annual budget and on the proposed annual legislative budget..."

AND RCH Section 9-104.2 states, in part:

"Upon the conclusion of the hearings, **the council may add new items to, or delete or amend any item or items in, the proposed executive program and annual budget and proposed annual legislative budget.** The council shall adopt the executive program and pass on third reading the annual executive and legislative budget ordinances on or before the fifteenth day of June of the fiscal year currently ending. If final action is not taken on or prior to that day, the budget ordinances as submitted shall be deemed to have been enacted."

RCH Section 9-102 and Section 9-104 make it clear that the Mayor has the absolute power to prepare and submit the executive operating and capital improvement program budgets and supplementary information to City Council. As previously noted, Councilmembers should not interfere with or frustrate this executive function of the Mayor.

Accordingly, BFS would be receptive to work with City Council on implementing a secure, internal portal to provide selected Councilmembers and staff access to datasets of aggregated information from the City's Financial Production System ("FIN") of the City and County of Honolulu's Enterprise Resource Planning System ("C2HERPS"), not the Budget Management System for the period from March 3rd through June 15th of each fiscal year.

Finally and consequently, BFS proposes the following changes to Bill 77 (25):

1. Change the title to Section 2-17.
 - a. Delete: "Council access to budget management software systems."
 - b. Add new title: "Council access to budget information."
2. Delete Section 2-17.(a) (3) in entirety and replace it with the following:
"One council staff member authorized by the council chair."
3. Delete Section 2-17.(a) (4) in entirety and replace it with the following:
"One council staff member authorized by the councilmember serving as the chair of the council standing committee on budget, or successor committee."
4. Delete the remainder of Section 2-17 in entirety, starting from the paragraph subtitled "Budget Management Software System" and ending with Section 2-17 (e).
5. Add new Section 2-17.(b) as follows:
"Council access required: the City shall provide access to datasets of aggregated information from FIN and not the Budget Management System for the period from March 3rd through June 15th of each fiscal year."
6. Add new Section 2-17.(c) as follows:
"Data integrity requirements. The information and data accessible to selected councilmembers and staff shall be similar to that used by State of Hawai'i legislators who have access to the State's Financial Accounting

The Honorable Tommy Waters
Chair and Presiding Officer
and Members
October 5, 2026
Page 4

Management Information System ("FAMIS") Data Mart, which essentially is a read-only database for reporting purposes."

7. Add new Section 2-17.(d) as follows:

"Implementation. The provisions of this section must be implemented by the city no later than the due date of the mayor's proposed executive operating and capital program budgets for fiscal year 2028. For the mayor's proposed executive operating and capital program budgets for fiscal year 2027, the City will provide the current detail line item report in data rich format (i.e., MS Excel)."

We genuinely hope that City Council understands BFS' valid concerns and is willing to work with BFS on the revisions to Bill 77 (25) as provided above.

If you have any questions, please contact me by telephone at (808) 768-3901 or by email at andy.kawano@honolulu.gov.

Sincerely,


Andrew T. Kawano
Director

APPROVED:



Krishna F. Jayaram, Managing Director
Office of the Managing Director