

LINDA LINGLE  
GOVERNOR



GEORGINA K. KAWAMURA  
DIRECTOR

STANLEY SHIRAKI  
DEPUTY DIRECTOR

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER  
PUBLIC UTILITIES COMMISSION

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION

January 28, 2005

The Honorable Robert Bunda  
President of the Senate  
Twenty-Third State Legislature  
State Capitol  
Honolulu, Hawaii 96813

Dear Senator Bunda:

Pursuant to Section 145.2 of Act 200, SLH 2003, as amended by Act 41, SLH 2004,  
we are submitting the attached report regarding evaluation of contract expenditures for  
capital improvement program projects during FY 2004.

Aloha,

/s/

GEORGINA K. KAWAMURA  
Director of Finance

Attachments

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January 28, 2005

The Honorable Calvin K. Y. Say  
Speaker of the House of Representatives  
Twenty-Third State Legislature  
State Capitol  
Honolulu, Hawaii 96813

Dear Representative Say:

Pursuant to Section 145.2 of Act 200, SLH 2003, as amended by Act 41, SLH 2004, we are submitting the attached report regarding evaluation of contract expenditures for capital improvement program projects during FY 2004.

Aloha,

/s/

GEORGINA K. KAWAMURA  
Director of Finance

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Report to the Legislature on Section 145.2 of Act 200, SLH 2003,  
as Amended by Act 41, SLH 2004

Section 145.2. Provided that the department of budget and finance shall coordinate the evaluation of all executive branch agency contract expenditures for capital improvement program projects during fiscal year 2004 to determine whether the use of funds to contract services fall within the scope of the project title and description; provided further that the report shall include but not be limited to a complete list of capital improvement program projects under which expenditures were made organized by department, a list of contracts entered into, and the purpose and product derived of each expenditure; provided further that the department of budget and finance shall provide the policies used to ensure that expenditure of capital improvement program project funds are consistent with the purposes of the appropriation; and provided further that the department of budget and finance director shall submit this report to the legislature no later than August 15, 2004.

Pursuant to Section 145.2, departments with capital improvement program (CIP) appropriations were provided a listing of CIP contracts that were recorded by the Department of Accounting and General Services during FY 04. Departments were instructed to review and evaluate each of the listed contracts to:

1. Determine if the scope of the contract was consistent with the CIP project title and description based on a literal reading of the title and description; and
2. Provide a description of the purpose and product of the contract.

Attached are the results this review for the Departments of Accounting and General Services, Agriculture, Business, Economic Development and Tourism, Education, Health, Human Services—Housing and Community Development Corporation of Hawaii, Land and Natural Resources and Transportation, Office of the Governor, and University of Hawaii. Please note that the Department of Accounting and General Services' review includes CIP contracts for the Departments of Defense, Human Services—Office of Youth Services and Public Safety, and Hawaii Public Library System.