

**SB404**

WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
SENATE BILL NO. 404

March 4, 2009

RELATING TO THE EMERGENCY AND BUDGET RESERVE FUND

Senate Bill No. 404 appropriates an unspecified amount from the Emergency and Budget Reserve Fund for Fiscal Year 2010 to an unspecified agency for a Chapter 42F grant.

We are opposed to this bill. Rather than using the Emergency and Budget Reserve Fund to supplement general funds, in light of the critical budget shortfall facing the State, we believe it is more appropriate to use the Emergency and Budget Reserve Fund to replace general funds. Accordingly, in Senate Bill No. 882, we have proposed to use \$60 million from the Emergency and Budget Reserve Fund to replace general funds that are currently appropriated for the health care payments program in Fiscal Year 2009. In addition, in Senate Bill No. 883, we have proposed to use another \$15 million from the Emergency and Budget Reserve Fund to replace general fund appropriations for the health care payments program in Fiscal Year 2010. This will leave the Emergency and Budget Reserve Fund with projected balances of \$6.2 million, \$3.5 million and \$15.7 million in Fiscal Years 2009, 2010 and 2011, respectively.