

STAND. COM. REP. NO.

2244

Honolulu, Hawaii

FEB 12 2010

RE: S.B. No. 2806
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam:

Your Committees on Human Services and Health, to which was referred S.B. No. 2806 entitled:

"A BILL FOR AN ACT RELATING TO THE EMERGENCY AND BUDGET
RESERVE FUND,"

beg leave to report as follows:

The purpose of this measure is to allow for excess funds from the general revenues of the State to be deposited into the emergency and budget reserve fund (fund) under certain circumstances.

Specifically, this measure allows the transfer to the fund of five percent of the end-of-the-year general fund balance when state general fund revenues for each of two successive fiscal years exceeds revenues for each of the preceding fiscal years by five percent.

Comments on this measure were submitted by the Office of the Governor, the Department of Budget and Finance, and the Tax Foundation of Hawaii. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the emergency budget and reserve fund is being steadily depleted while there are no new sources of revenue to replenish it. Your Committees also find that in times of economic prosperity, it is appropriate to divert funds from the general revenues of the State under certain circumstances to ensure that funds are available for future fiscal emergencies.

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Your Committees note that S.B. No. 2692, similarly authorizes the transfer of excess general fund revenues to the fund. This similar measure, however, additionally clarifies, among other things, how the applicable end-of-the-year balance should be calculated, who is authorized to make the transfer of moneys from the general fund, and when such transfers should not occur.

Accordingly, upon further consideration, your Committees have amended this measure by:

- (1) Using instead, language from S.B. No. 2692, which in addition to authorizing the transfer of excess revenues from the general fund to the emergency budget and reserve fund:
 - (A) Clarifies that the end-of the-year general fund balance calculation shall occur before any tax refund or tax credit pursuant to Article VII, section 6 of the Constitution of the State of Hawaii;
 - (B) Prohibits transfers when the balance of the fund is more than ten percent of general fund revenues for the preceding fiscal year;
 - (C) Authorizes the Director of Finance to execute the transfers;
 - (D) Authorizes interest earned from the fund to be credited to the fund; and
 - (E) Clarifies the uses of the fund; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2806, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2806, S.D. 1, and be referred to the Committee on Ways and Means.



2244

Respectfully submitted on
behalf of the members of the
Committees on Human Services
and Health,

David Y. Ige

DAVID Y. IGE, Chair

Suzanne Chun Oakland

SUZANNE CHUN OAKLAND, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Human Services
HMS

Bill / Resolution No.:* SB 2806	Committee Referral: HMS/HTH, WAM	Date: 2/9/10		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
CHUN OAKLAND, Suzanne (C)	✓			
IHARA, Jr., Les (VC)	✓			
GREEN, M.D., Josh	✓			
HEMMINGS, Fred				✓
TOTAL	3	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Health
HTH

Bill / Resolution No.:* <i>SB2806</i>	Committee Referral: <i>HMS/HTH, WAM</i>	Date: <i>2/5/10</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
GREEN, M.D., Josh (VC)	✓			
BAKER, Rosalyn H.	✓			
ESPERO, Will	✓			
NISHIHARA, Clarence K.	✓			
HEMMINGS, Fred				✓
TOTAL	5	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center;"><i>July</i></div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

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