

**SB 1290**

TESTIMONY BY KALBERT K. YOUNG  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
SENATE BILL NO. 1290

February 25, 2011

RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED

Senate Bill No. 1290 increases the limit the Department of Hawaiian Home Lands (DHHL) is currently authorized to borrow or guarantee on loans from \$50,000,000 to \$100,000,000 to cover DHHL's guarantee requirements for its housing programs.

The Department strongly supports this administration measure. Please note that pursuant to Article VII, Section 13 of the Constitution of the State of Hawaii, DHHL is required to establish and maintain a reasonable reserve requirement (based upon program parameters) for each loan guaranteed under this section. DHHL must continue to fund and maintain a reasonable reserve in order to meet the State Constitutional requirements to administer a loan guaranty program.

Thank you for the opportunity to provide our testimony on this bill.