
A BILL FOR AN ACT

MAKING APPROPRIATIONS TO RECAPITALIZE STATE FISCAL RESERVES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that ongoing effects of
2 one of the most challenging economic periods in Hawaii's history
3 have necessitated the use of the State's reserve funds, mainly
4 the emergency and budget reserve fund and the Hawaii hurricane
5 relief fund. These funds were used in fiscal year 2010-2011 to
6 maintain essential education, public health, and public welfare
7 programs. As of June 30, 2011, the adjusted balances (adjusted
8 to accommodate all of the transfers authorized by Acts 25 and
9 62, Session Laws of Hawaii 2011) for the emergency and budget
10 reserve fund and the Hawaii hurricane relief fund were
11 approximately \$5,500,000 and \$8,800,000, respectively.

12 Additionally, Act 124, Session Laws of Hawaii 2011,
13 temporarily diverts the tobacco settlement moneys from the
14 emergency and budget reserve fund to the general fund in fiscal
15 years 2011-2012 and 2012-2013. Transfers from the tobacco
16 settlement are the primary source of funds deposited to the
17 emergency and budget reserve fund.



1 Finally, bond rating agencies have expressed concern with
2 the near depletion of reserves (such as the emergency and budget
3 reserve fund and the Hawaii hurricane relief fund) in fiscal
4 year 2010-2011. To respond to the rating agencies' concern, the
5 legislature is proposing to accelerate recapitalization of its
6 reserves.

7 The purpose of this Act is to appropriate general funds to
8 the emergency and budget reserve fund and the Hawaii hurricane
9 relief fund. As the State continues its economic recovery,
10 accelerated recapitalization of these reserve funds is prudent
11 and fiscally sound.

12 SECTION 2. There are appropriated out of the general
13 revenues of the State of Hawaii the sum of \$20,000,000 or so
14 much thereof as may be necessary for fiscal year and
15 the sum of \$43,700,000 or so much thereof as may be necessary
16 for fiscal year for the purposes of recapitalizing the
17 emergency and budget reserve fund.

18 The sums appropriated shall be expended by the department
19 of budget and finance for the purposes of this Act.

20 SECTION 3. There are appropriated out of the general
21 revenues of the State of Hawaii the sum of \$27,500,000 or so
22 much thereof as may be necessary for fiscal year , the



1 sum of \$27,500,000 or so much thereof as may be necessary for
2 fiscal year and the sum of \$56,000,000 or so much
3 thereof as may be necessary for fiscal year for the
4 purposes of recapitalizing the Hawaii hurricane relief fund.

5 The sums appropriated shall be expended by the department
6 of commerce and consumer affairs for the purposes of this Act.

7 SECTION 4. This Act shall take effect upon its approval.



Report Title:

Emergency and Budget Reserve Fund; Hawaii Hurricane Relief Fund;
Appropriation

Description:

Makes general fund appropriations of \$20,000,000 for fiscal year
and \$43,700,000 for fiscal year to recapitalize
the emergency and budget reserve fund. Makes general fund
appropriations of \$27,500,000 for fiscal year ,
\$27,500,000 for fiscal year , and \$56,000,000 for fiscal
year to recapitalize the Hawaii hurricane relief fund.
(SD2)

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