

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 1179, H.D. 2

February 24, 2011

RELATING TO INVESTMENTS

House Bill No. 1179, H.D. 2, proposes to amend Chapter 36, Hawaii Revised Statutes, regarding the short-term investment of state funds. The bill proposes to establish an advisory committee on short-term investments. The advisory committee would assist and advise the Director of Finance on the operation of the short-term investment pool to invest state treasury funds deposited by agencies, which exceed the amounts necessary to meet immediate cash requirements of the State.

The Department supports this measure and recommends the following revision to this bill (deletions are stricken and additions are underlined):

1. Page 7, line 17 – "...contract with a private investment advisor or advisors, approved by the..."

This revision is being recommended to provide flexibility to the advisory committee should they determine that more than one professional investment advisor is desired.

Thank you for the opportunity to provide testimony on this measure.



999 Bishop Street Honolulu Hawaii 96813

Presentation to the House Committee on Finance

Tuesday, February 24, 2011 at 3:30 p.m.

Testimony on House Bill 1179 Relating to Investments

TO: The Honorable Marcus R. Oshiro, Chair
The Honorable Marilyn B. Lee, Vice Chair
Members of the House Committee on Finance

My name is Neal Okabayashi and I testify for First Hawaiian Bank. We support the intent of this bill which is to provide the State with the best investment advisory services available. We believe that this will serve the State's ability regarding its money management capabilities.