

WRITTEN ONLY

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 277, H.D. 1

LATE

February 24, 2011

RELATING TO MILITARY AFFAIRS

House Bill No. 277, H.D. 1, establishes the Military Affairs Liaison Trust Fund as a separate fund of a non-profit entity to support its role in serving as liaison in matters relating to the military and to provide oversight for the military's presence in Hawaii and the impact defense spending has on Hawaii's economy. This trust fund would receive general funds through legislative appropriations. House Bill No. 277, H.D. 1, appropriates an unspecified amount from the general fund in Fiscal Year 2012 and Fiscal Year 2013 for deposit into the trust fund.

As a matter of general policy, the Department of Budget and Finance does not support the creation of any trust fund which does not meet the definition of a trust fund as defined by Section 37-62, Hawaii Revised Statutes, and does not demonstrate the capacity to be financially self-sustaining. In regards to House Bill No. 277, H.D. 1, it is difficult to determine whether the Military Affairs Liaison Trust Fund meets the definition of a trust fund and will be self-sustaining.