

WRITTEN ONLY

TESTIMONY BY KALBERT K. YOUNG  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
SENATE BILL NO. 2988

February 8, 2012

RELATING TO STATE FUNDS.

Senate Bill No. 2988 proposes to add a new section to Chapter 36, Hawaii Revised Statutes (HRS), which authorizes the Director of Finance to restructure the debt service for state obligations; provided that any such restructuring shall take into consideration the long-term financial obligations of the State and shall not be undertaken solely to provide short-term savings.

The Department supports this bill. Please note that the Department is required to comply with Section 39-16, HRS, which requires, among other things, the issuance of refunding bonds only upon the determination by the Director of Finance, with the approval of the Governor, that such refunding is in the best interest of the State. The Department will continue to evaluate the short and long term financial obligations of the State when contemplating a restructuring of the State's debt service.

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