
A BILL FOR AN ACT

MAKING AN APPROPRIATION TO THE EMERGENCY AND BUDGET RESERVE
FUND.

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

1 SECTION 1. The State is emerging from one of the most
2 challenging economic periods in its history. During the last
3 several years, extreme measures had to be taken to keep the
4 State solvent, including: furloughs; temporary salary
5 reductions; reductions-in-force; forced downsizing of programs
6 and services; purchasing and hiring freezes; and enactment of
7 temporary revenue enhancements. In addition, the State's fiscal
8 reserves, the emergency and budget reserve fund and the
9 hurricane reserve trust fund, were used to prevent even greater
10 spending reductions and revenue enhancement measures.

11 One of the clear lessons learned from this experience is
12 the necessity of having sufficient amounts of money in the
13 fiscal reserves to help carry the State through the worst
14 economic conditions. Now that the State's economy is rebounding
15 and more revenues are available, a concerted effort must be made
16 to recapitalize the State's depleted fiscal reserves as
17 expeditiously as possible.



1 While Act 124, Session Laws of Hawaii 2011, temporarily
2 diverted tobacco settlement moneys from the emergency and budget
3 reserve fund to the general fund in fiscal years 2011-2012 and
4 2012-2013, transfers from the tobacco settlement into the
5 emergency and budget reserve fund will resume in fiscal year
6 2013-2014.

7 This Act accelerates the recapitalization of fiscal
8 reserves by transferring an additional \$50,000,000 from general
9 funds to the emergency and budget reserve fund. The legislature
10 finds that as the State continues its economic recovery,
11 accelerated recapitalization of this fiscal reserve fund is
12 prudent and fiscally sound.

13 The purpose of this Act is to appropriate general funds to
14 the emergency and budget reserve fund.

15 SECTION 2. There is appropriated out of the general
16 revenues of the State of Hawaii the sum of \$50,000,000 or so
17 much thereof as may be necessary for fiscal year 2013-2014 and
18 the same sum or so much thereof as may be necessary shall be
19 deposited into the emergency and budget reserve fund established
20 in section 328L-3, Hawaii Revised Statutes.

21 SECTION 3. This Act shall take effect on July 1, 2013.



Report Title:

Appropriation; Emergency and Budget Reserve Fund

Description:

Makes a general fund appropriation of \$50,000,000 for fiscal year 2013-2014 to recapitalize the emergency and budget reserve fund. (CD1)

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