

S.B. NO. 2829

JAN 23 2014

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. One of the clear
3 lessons learned from this experience is the necessity of having
4 sufficient fiscal reserves to help carry the State through the
5 worst conditions. Now that the economy is rebounding and more
6 revenues are available, a concerted effort must be made to
7 recapitalize the State's depleted fiscal reserves as
8 expeditiously as possible.

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

13 SECTION 2. There is appropriated out of the general
14 revenues of the State of Hawaii the sum of \$50,000,000 or so
15 much thereof as may be necessary for fiscal year 2014-2015 for
16 the purpose of recapitalizing the emergency and budget reserve
17 fund established in section 328L-3, Hawaii Revised Statutes.

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

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1 SECTION 3. This Act shall take effect on July 1, 2014.

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INTRODUCED BY: *Amia Meranda*

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BY REQUEST

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Report Title:

Emergency and Budget Reserve Fund; Appropriation

Description:

Makes a general fund appropriation of \$50,000,000 for fiscal year 2014-2015 to recapitalize the Emergency and Budget Reserve Fund.

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JUSTIFICATION SHEET

DEPARTMENT: Office of the Governor

TITLE: A BILL FOR AN ACT MAKING AN APPROPRIATION TO THE EMERGENCY AND BUDGET RESERVE FUND.

PURPOSE: Appropriates funds for fiscal year 2014-2015 to recapitalize the Emergency and Budget Reserve Fund.

MEANS: Appropriate general funds.

JUSTIFICATION: The State is emerging from one of the most challenging economic periods in its history. One of the clear lessons learned from this experience is the necessity of having sufficient fiscal reserves to help carry the State through the worst conditions. Now that the economy is rebounding and more revenues are available, a concerted effort must be made to recapitalize the State's depleted fiscal reserves as expeditiously as possible.

The general fund appropriation included in this measure has been made in accordance with the statutorily defined appropriation ceiling for the Executive Branch pursuant to section 37-92, Hawaii Revised Statutes. With a decrease of general fund appropriations of -\$53,151,500 for fiscal year 2013-2014 and an increase of general fund appropriations of \$470,361,342 for fiscal year 2014-2015 proposed in the Executive Supplemental Budget, the appropriation ceiling for the Executive Branch will be exceeded by \$304,982,041 or 4.7 per cent in fiscal year 2014-2015. Funding requested in this measure to accelerate the recapitalization of the EBRF will result in the appropriation ceiling for the Executive Branch to now be exceeded in fiscal year 2014-2015 by an additional \$50 million or 0.8 per cent. This current declaration takes into account additional

general fund appropriations authorized for fiscal year 2014-2015 in the Executive Supplemental Budget and this measure only, and does not include other general fund appropriations for fiscal year 2014-2015 that may be authorized for the Executive Branch in other legislation submitted to the Legislature during the regular session of 2014.

Impact on the public: Further recapitalization of the Emergency and Budget Reserve Fund will increase the State's fiscal reserves for times of unforeseen economic downturns and natural disasters.

Impact on the department and other agencies: The general fund appropriation will be made to the department that administers the Emergency and Budget Reserve Fund (Department of Budget and Finance).

GENERAL FUND: \$50,000,000 in fiscal year 2014-2015.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: BUF 101.

OTHER AFFECTED AGENCIES: Department of Budget and Finance.

EFFECTIVE DATE: July 1, 2014.