

TESTIMONY BY WESLEY K. MACHIDA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
HOUSE BILL NOS. 171, H.D. 1, AND 172, H.D. 1

March 24, 2015

MAKING AN APPROPRIATION TO THE HURRICANE RESERVE TRUST FUND  
MAKING AN APPROPRIATION TO THE EMERGENCY AND BUDGET RESERVE  
FUND

House Bill Nos. 171, H.D. 1, and 172, H.D. 1, propose to make two separate unspecified general fund appropriations to be deposited into the Emergency and Budget Reserve Fund and the Hurricane Reserve Trust Fund, respectively. The appropriations are to the departments responsible for administering the funds (the Departments of Budget and Finance and Commerce and Consumer Affairs, respectively).

We strongly support the intent to further capitalize the State's reserve funds and recommend that at least \$25 million be appropriated to each fund.

As an alternative, the Department would also support an additional appropriation to pay the annual required contribution (ARC) for the State's other post-employment benefits (OPEB) plan.

For FY 16, the Administration's budget request includes funding for 40 per cent of the ARC as required by Act 268, SLH 2013. Additional appropriation for the ARC will reduce the State's unfunded liability for OPEB.