



**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
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**WRITTEN ONLY**  
**TESTIMONY BY LAUREL A. JOHNSTON**  
**ACTING DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE**  
**TO THE SENATE COMMITTEE ON HOUSING**  
**ON**  
**SENATE BILL NO. 2212**

**February 8, 2018**  
**3:00 p.m.**  
**Room 225**

**RELATING TO PUBLIC HOUSING**

Senate Bill No. 2212 establishes the Family Self-Sufficiency Program (FSSP) to provide trust accounts and matching funds to assist tenants, who rent selected low-income dwelling units, transition into home ownership and sets a maximum rental period and minimum rents for State low-income housing with exceptions. The bill also establishes a FSSP Revolving Fund and appropriates general funds to carry out the intent of the bill.

While the Department of Budget and Finance does not take any position on the establishment of the FSSP and the amendments to tenancy selection, tenancy termination, and minimum rents, as a matter of general policy, the department does not support the creation of revolving funds which do not meet the requirements of Section 37-52.4, HRS. Revolving funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. In regards to Senate Bill No. 2212, it is difficult to determine whether the proposed source of revenues will be self-sustaining.

Thank you for your consideration of our comments.