
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. To aid in its recovery from the Great Recession
2 of December 2007 to June 2009, the State employed various
3 mitigation measures, including forced furloughs, temporary
4 salary reductions, purchasing and hiring freezes, and downsizing
5 of programs and services. Moneys destined for deposit into
6 state fiscal reserves, including the emergency and budget
7 reserve fund, were temporarily diverted to the general fund,
8 pursuant to section 59 of Act 124, Session Laws of Hawaii 2011.

9 In its third quarter 2019 "Quarterly Statistical and
10 Economic Report" released August 23, 2019, the department of
11 business, economic development, and tourism lowered its economic
12 growth forecast by one-tenth of a percentage point from the
13 second quarter forecast to 1.1 per cent for 2019, and between
14 1.2 and 1.3 per cent for the next few years. The director noted
15 that tax revenue growth remains strong, although the State is
16 facing "increased uncertainties."



1 Against this backdrop and with the prospect of another
2 economic correction looming, it is prudent for the State to
3 restore its fiscal reserves.

4 The purpose of this Act is to appropriate general funds to
5 the emergency and budget reserve fund which, pursuant to section
6 328L-3, Hawaii Revised Statutes, serves as a supplemental source
7 of funding for the State during times of emergency, severe
8 economic downturn, or unforeseen reduction in revenues.

9 SECTION 2. There is appropriated out of the general
10 revenues of the State of Hawaii the sum of \$25,000,000 or so
11 much thereof as may be necessary for fiscal year 2020-2021 to
12 replenish the emergency and budget reserve fund established in
13 section 328L-3, Hawaii Revised Statutes.

14 The sum appropriated shall be deposited into the emergency
15 and budget reserve fund and expended by the department of budget
16 and finance for the purposes of this Act.

17 SECTION 3. This Act shall take effect on July 1, 2020.
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H.B. NO. 2107

Report Title:

Emergency and Budget Reserve Fund; Appropriation

Description:

Makes an appropriation to the Emergency and Budget Reserve Fund.

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