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EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON HOUSING
ON
SENATE BILL NO. 2149

February 15, 2022
1:00 p.m.
Room 225 and Videoconference

RELATING TO THE RENTAL HOUSING REVOLVING FUND

The Department of Budget and Finance (B&F) offers comments on Senate Bill No. 2149.

This measure amends Section 201H-202, HRS, by adding administrative expenses of the Hawai'i Housing Finance and Development Corporation's housing finance programs as an allowable use of the Rental Housing Revolving Fund (RHRF). The measure also expressly authorizes the deposit of conveyance taxes into the RHRF.

B&F notes that the Legislature has provided significant infusions of general obligation (G.O.) bond appropriations into the RHRF over the last several fiscal years, including \$40,000,000 in FY 22 and \$25,000,000 in FY 23. As a matter of general policy, G.O. bond proceeds should not be used for the operating expenses of a government agency.

Thank you for your consideration of our comments.