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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 HOUSE COMMITTEE ON FINANCE  
ON  
HOUSE BILL NO. 1115

**February 23, 2021**  
**2:00 p.m.**  
**Via Videoconference**

RELATING TO THE STATE FUNDS

The Department of Budget and Finance (B&F) supports the intent of House Bill (H.B.) No. 1115.

H.B. No. 1115 proposes to deposit any moneys received through civil action that would otherwise be deposited into the State general fund, to instead be deposited into the Emergency and Budget Reserve Fund (EBRF).

As the department responsible for administering the EBRF and EBRF-Separate Account, B&F supports the general intent of this measure. Due to the ongoing economic impact of the COVID-19 pandemic, the Legislature transferred much of the balance of the EBRF to the general fund at the end of FY 20. As of June 30, 2020, the ending balance for the EBRF was \$58,880,670, which is down from the previous fiscal year's ending balance of \$378,237,160 on June 30, 2019. In light of last fiscal year's depletion of the EBRF, we support the intent of H.B. No. 1115 as it would contribute towards replenishment of the EBRF.

Thank you for your consideration of our comments.