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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. 54, PROPOSED H.D. 1

March 3, 2021
2:00 p.m.
Via Videoconference

RELATING TO THE STATE BUDGET

The Department of Budget and Finance (B&F) appreciates the intent of House Bill (H.B.) No. 54, Proposed H.D. 1.

H.B. No. 54, Proposed H.D. 1, makes an unspecified general fund appropriation to be deposited into the Emergency and Budget Reserve Fund (EBRF).

Although there is no statement of intent, this measure will satisfy the requirements of Article VII, Section 6, of the Hawai'i Constitution to provide a tax credit, deposit excess general fund revenues into the EBRF, or appropriate funds for the prepayment of either or both of 1) debt service or 2) pension or Other Post-Employment Benefits liabilities. It is noted that 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, replenishing the EBRF is prudent.

Thank you for your consideration of our comments.