

JAN 28 2009

A BILL FOR AN ACT

RELATING TO THE EMERGENCY AND BUDGET RESERVE FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. In 1999, the legislature established the
2 emergency and budget reserve fund as a temporary supplemental
3 source of funding for the State of Hawaii in times of emergency,
4 economic downturn, or unforeseen reduction in revenues. As set
5 forth in section 328L-3, Hawaii Revised Statutes, specific
6 purposes for the fund include the maintaining of levels of
7 programs determined to be essential to public health, safety,
8 welfare, and education.

9 The legislature finds that the national and global economic
10 crisis has caused significant economic problems in numerous
11 industries in the State, including the airline, cruise ship,
12 tourist, and construction industries. Mass layoffs have been
13 reported by an increasing number of Hawaii businesses statewide,
14 from the agricultural sector to the medical services sector.
15 Hawaii's automobile dealers have cut fifteen per cent of their
16 workforce and that percentage could double in the future.
17 Financial uncertainty has caused decreased visitor arrivals and
18 low hotel occupancy rates have caused layoffs and reductions in



1 employee hours. Furthermore, recent forecasts show that the
2 situation will worsen with a continued decline in jobs, personal
3 income, and visitor arrivals, and rising inflation.

4 Difficult economic times and declining tax revenues have
5 resulted in budget cuts for all state services. State
6 departments have been asked to lower their budget proposals by
7 up to twenty per cent. The department of education faces a
8 possible \$70,000,000 shortfall for the next academic year and
9 funding has discontinued for science textbooks and materials,
10 programs for literacy training for learning-disabled children,
11 as well as for speech pathologists, occupational and physical
12 therapists, and more than two hundred other positions.

13 The department of health has projected a \$25,000,000
14 shortfall for mental health services and a \$5,400,000 shortfall
15 for developmental disabilities services in the current fiscal
16 year. Funding has been eliminated for the healthy start
17 program, totaling approximately \$22,000,000 for the biennium.
18 Additionally, the governor has discontinued funding for the
19 keiki care program, which may leave an estimated one thousand
20 five hundred gap group children without access to affordable
21 healthcare.



1 The current and impending situation jeopardizes the safety
2 net of basic human service, health, and education needs for
3 Hawaii's residents and families. And while all of Hawaii's
4 residents will be affected by the situation, gap group families
5 and families closest to the poverty line will suffer the most.

6 The legislature finds that expenditures from the emergency
7 budget and reserve fund established by Section 328L-3, Hawaii
8 Revised Statutes, are needed to meet the conditions of
9 emergency, economic downturn, and unforeseen reduction in
10 revenue that the State currently faces. Further, the
11 legislature finds that the appropriations in this Act are
12 consistent with the purposes of the emergency budget and reserve
13 fund.

14 The purpose of this Act is to appropriate moneys from the
15 emergency and budget fund of the State of Hawaii to maintain the
16 levels of programs determined to be essential to education,
17 public health, and public welfare.

18 SECTION 2. There is appropriated out of the emergency
19 budget and reserve fund of the State of Hawaii the sum of
20 \$ or so much thereof as may be necessary for fiscal
21 year 2009-2010 and \$ or so much thereof as may be
22 necessary for fiscal year 2010-2011 for the department of



1 health, pursuant to section 328L-3(d)(1), Hawaii Revised
2 Statutes.

3 The sum appropriated shall be expended by the department of
4 health for the purposes of this Act.

5 SECTION 3. There is appropriated out of the emergency
6 budget and reserve fund of the State of Hawaii the sum of
7 \$ or so much thereof as may be necessary for fiscal
8 year 2009-2010 and \$ or so much thereof as may be
9 necessary for fiscal year 2010-2011 for the department of human
10 services, pursuant to section 328L-3(d)(1), Hawaii Revised
11 Statutes.

12 The sum appropriated shall be expended by the department of
13 human services for the purposes of this Act.

14 SECTION 4. There is appropriated out of the emergency
15 budget and reserve fund of the State of Hawaii the sum of
16 \$ or so much thereof as may be necessary for fiscal
17 year 2009-2010 and \$ or so much thereof as may be
18 necessary for fiscal year 2010-2011 for the department of
19 education, pursuant to section 328L-3(d)(1), Hawaii Revised
20 Statutes.

21 The sum appropriated shall be expended by the department of
22 education for the purposes of this Act.



1 SECTION 5. This Act shall take effect on July 1, 2009.

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Report Title:

Emergency Budget and Reserve Fund; Appropriation; Education;
Human Services; Health Programs

Description:

Appropriates moneys from the emergency budget and reserve fund
to maintain levels of programs for education, human services,
and health.

