

MAR 09 2012

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# SENATE CONCURRENT RESOLUTION

REQUESTING THE REVIEW AND IDENTIFICATION OF STATE FUNDS OR HOLDINGS THAT MAY BE APPROPRIATE FOR OPENING ACCOUNTS IN SMALL LOCAL FINANCIAL INSTITUTIONS AND DEVELOPMENT OF A PROCUREMENT PROCESS TO SELECT INSTITUTIONS TO RECEIVE STATE FUNDS FOR INVESTMENT FOR A LIMITED TIME.

1           WHEREAS, the special funds of the State of Hawaii are often  
2 used to fund specific activities carried out by state agencies,  
3 foundations, and other entities; and  
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5           WHEREAS, special funds are often meant to be self-  
6 sustaining, keeping a relatively stable balance to ensure the  
7 continuity of services or availability of cash for the service;  
8 and  
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10           WHEREAS, the recent economic crisis has led to certain  
11 regulatory actions by the federal government and as a result has  
12 decreased many large financial institutions' propensity to lend  
13 money; and  
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15           WHEREAS, credit unions and other small, locally based  
16 financial institutions with a dedicated membership offer  
17 affordable interest rates and access to credit for their  
18 members; and  
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20           WHEREAS, the recipients of dividends of such locally based  
21 financial institutions are residents of the State and will  
22 ultimately accumulate wealth for our economy; and  
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24           WHEREAS, the recipients of loans from these institutions  
25 are typically local residents seeking personal loans, auto  
26 loans, and mortgages, leading to the purchase of cars, homes,  
27 and personal items in the local economy and generating tax  
28 revenue; and  
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1           WHEREAS, the addition of state funds as a capital base to  
2 any financial institution would increase the financial  
3 institution's ability to lend to consumers in small communities;  
4 and  
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6           WHEREAS, this local stimulus should be given to responsible  
7 agencies with roots in our local communities; now, therefore,  
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9           BE IT RESOLVED by the Senate of the Twenty-sixth  
10 Legislature of the State of Hawaii, Regular Session of 2012, the  
11 House of Representatives concurring, that the Director of  
12 Finance in cooperation with the Comptroller is asked to review  
13 the inventory of special funds, revolving loan funds, revolving  
14 funds, bond holdings, and other state investments and identify  
15 stable, solvent funds that may be appropriate for opening  
16 accounts in small local financial institutions, subject to  
17 section 36-21, Hawaii Revised Statutes, and other relevant state  
18 laws; and  
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20           BE IT FURTHER RESOLVED that if fund account expansion is  
21 found to be feasible to ensure the equitable distribution of  
22 funds and stability for the financial institutions, the Director  
23 of Finance and Comptroller are requested to work with the  
24 Administrator of the State Procurement Office to develop a  
25 special procurement process to assure that funds will be  
26 invested in the financial institution that hold the winning bid  
27 for no less than ten years; and  
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29           BE IT FURTHER RESOLVED that the specifications for any  
30 procurement contain minimum safeguards to discourage misuse of  
31 state funds, as well as reporting requirements on fund status as  
32 necessary for the State's maintenance of the funds; and  
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34           BE IT FURTHER RESOLVED that certified copies of this  
35 Concurrent Resolution be transmitted to the Governor, Director  
36 of Finance, Comptroller, and Administrator of the State  
37 Procurement Office.  
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OFFERED BY: 

