
SENATE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF BUDGET AND FINANCE AND THE
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES TO INVEST
NON-GENERAL FUND HOLDINGS INTO LOCAL FINANCIAL
INSTITUTIONS.

1 WHEREAS, the non-general funds of the State of Hawaii are
2 often used to fund specific activities carried out by
3 departments, attached agencies, state foundations, and other
4 state entities; and

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6 WHEREAS, non-general funds are required by law to provide
7 an adequate means of financing for the program or activity and
8 are therefore meant to be self-sustaining, to ensure the
9 continuity of services or availability of cash for the service;
10 and

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12 WHEREAS, the recent economic crisis has led to certain
13 regulatory actions by the federal government, which have
14 decreased many large financial institutions' propensity to lend
15 money; and

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17 WHEREAS, for low- and middle-income families, access to
18 credit is a major barrier to achieving goals such as self-
19 sufficiency, homeownership, or increased education; and

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21 WHEREAS, credit unions and other small, locally-based
22 financial institutions with a dedicated membership offer
23 affordable interest rates and access to credit for their
24 members; and

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26 WHEREAS, the recipients of dividends of such locally-based
27 financial institutions are members of our citizenry and will
28 ultimately accumulate wealth for our economy; and

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30 WHEREAS, the recipients of loans from these institutions
31 are typically local persons seeking personal loans, auto loans,



1 and mortgages, leading to the purchase of cars, homes, and
2 personal items in the local economy and generating tax revenue;
3 and

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5 WHEREAS, the addition of state funds as a capital base to
6 any financial institution would increase the institution's
7 ability to lend in small communities; and

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9 WHEREAS, this local stimulus should be given to responsible
10 agencies with roots in our local communities; now, therefore,

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12 BE IT RESOLVED by the Senate of the Twenty-seventh
13 Legislature of the State of Hawaii, Regular Session of 2013, the
14 House of Representatives concurring, that the Director of
15 Finance in cooperation with the Comptroller is asked to review
16 the inventory of non-general funds, revolving loan funds,
17 revolving funds, bond holdings, and other state investments and
18 identify stable, solvent funds that may be appropriate to be
19 invested in accounts in small, locally-based financial
20 institutions; and

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22 BE IT FURTHER RESOLVED that if funds are identified to be
23 appropriate for investment in small, locally-based financial
24 institutions, to ensure the equitable distribution of funds and
25 some stability for the institutions, the Director of Finance and
26 Comptroller are requested to work with the Chief Procurement
27 Officer of the State to develop a special procurement process to
28 assure funds will be deposited in the winning institutions for
29 no less than ten years; and

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31 BE IT FURTHER RESOLVED that the specifications for any
32 procurement contain minimum safeguards to discourage misuse of
33 state funds, as well as reporting requirements on fund statuses
34 as necessary for the state's maintenance of the funds; and

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36 BE IT FURTHER RESOLVED that certified copies of this
37 Concurrent Resolution be transmitted to the Director of Finance,
38 Comptroller, and Chief Procurement Officer of the State.

