

MAR - 1 2013

SENATE CONCURRENT RESOLUTION

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

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

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

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

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

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

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

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29 WHEREAS, the recipients of loans from these institutions
30 are typically local persons seeking personal loans, auto loans,
31 and mortgages, leading to the purchase of cars, homes, and



1 personal items in the local economy and generating tax revenue;
2 and
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4 WHEREAS, the addition of state funds as a capital base to
5 any financial institution would increase the institution's
6 ability to lend in small communities; and
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8 WHEREAS, this local stimulus should be given to responsible
9 agencies with roots in our local communities; now, therefore,
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11 BE IT RESOLVED by the Senate of the Twenty-seventh
12 Legislature of the State of Hawaii, Regular Session of 2013, the
13 House of Representatives concurring, that the Director of
14 Finance in cooperation with the Comptroller is asked to review
15 the inventory of special funds, revolving loan funds, revolving
16 funds, bond holdings, and other state investments and identify
17 stable, solvent funds that may be appropriate to be invested in
18 accounts in small, locally-based financial institutions; and
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20 BE IT FURTHER RESOLVED that if funds are identified to be
21 appropriate for investment in small, locally-based financial
22 institutions, to ensure the equitable distribution of funds and
23 some stability for the institutions, the Director of Finance and
24 Comptroller are requested to work with the Chief Procurement
25 Officer of the State to develop a special procurement process to
26 assure funds will be deposited in the winning institutions for
27 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 statuses
32 as 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 Director of Finance,
36 Comptroller, and Chief Procurement Officer of the State.
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[Signatures]