A BILL FOR AN ACT

MAKING AN APPROPRIATION TO THE EMERGENCY AND BUDGET RESERVE FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAI'I:

SECTION 1. To aid in its recovery from the Great Recession of December 2007 to June 2009, the State employed various mitigation measures, including forced furloughs, temporary salary reductions, purchasing and hiring freezes, and downsizing of programs and services. Moneys destined for deposit into state fiscal reserves, including the emergency and budget reserve fund, were temporarily diverted to the general fund, pursuant to section 59 of Act 124, Session Laws of Hawaii 2011.

In its third quarter 2019 "Quarterly Statistical and Economic Report" released August 23, 2019, the department of business, economic development, and tourism lowered its economic growth forecast by one-tenth of a percentage point from the second quarter forecast to 1.1 per cent for 2019, and between 1.2 and 1.3 per cent for the next few years. The director noted that tax revenue growth remains strong, although the State is facing "increased uncertainties."
Against this backdrop and with the prospect of another economic correction looming, it is prudent for the State to restore its fiscal reserves.

The purpose of this Act is to appropriate general funds to the emergency and budget reserve fund which, pursuant to section 328L-3, Hawaii Revised Statutes, serves as a supplemental source of funding for the State during times of emergency, severe economic downturn, or unforeseen reduction in revenues.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of $25,000,000 or so much thereof as may be necessary for fiscal year 2020-2021 to replenish the emergency and budget reserve fund established in section 328L-3, Hawaii Revised Statutes.

The sum appropriated shall be deposited into the emergency and budget reserve fund and expended by the department of budget and finance for the purposes of this Act.

SECTION 3. This Act shall take effect on July 1, 2020.
H.B. NO. 2107

Amy Farmso

Tom B

JAN 17 2020

Radka K. Nadeu

JAN 17 2020
Report Title:
Emergency and Budget Reserve Fund; Appropriation

Description:
Makes an appropriation to the Emergency and Budget Reserve Fund.

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