



The Senate

STATE CAPITOL
HONOLULU, HAWAII 96813

MEDIA RELEASE

MEDIA CONTACT: Cassandra Harris 586-7148

Date: July 3, 2013

Senator David Ige Responds to Governor Signing of Fiscal Management Measures

Honolulu- Governor Neil Abercrombie today signed into law today measures critical to paying down the State's unfunded liabilities and replenishing the hurricane and rainy day funds.

The Hawaii State Legislature worked collaboratively during the 2013 Session to fulfill its commitment to paying down the State's unfunded liabilities pertaining to other post employment benefits. The Legislature made appropriations to begin payment to these unfunded health benefit liabilities through the State Budget with \$100M for FY14 and \$117.4M for FY15.

Currently, the unfunded liabilities for the employer-union health benefits trust fund is \$13.6 billion.

[House Bill 546](#), Relating to the Hawaii Employer-Union Health Benefits Trust Fund (EUTF), will make Hawaii the first state in the nation to statutorily require payment of the annual required contribution for future public worker health benefits.

"Paying down these liabilities will have a positive impact on the state's bond rating and ensure that Hawaii's future is not handicapped by increasingly burdensome debt," said Senator David Ige, chair of the Senate Committee on Ways and Means. "We have also set up a solid framework for future payments which demonstrates the legislature's commitment to address the unfunded liability of the EUTF. "

The Governor also enacted two measures making general fund appropriations to recapitalize the State's hurricane reserve trust and emergency and budget reserve funds, funds which were used to help balance the budget during the Great Recession.

"During the Great Recession, as one of the alternatives to a general excise tax increase, we borrowed money from the hurricane fund and rainy day fund to balance the budget. We had always intended to repay those funds so that the proceeds would be available again for future contingencies," explained Ige. "These bills demonstrate our commitment to recapitalizing those funds to build healthy reserves."

[Senate Bill \(SB\) 1094](#) makes a general fund appropriation of \$50,000,000 for fiscal year 2013-2014 to recapitalize the hurricane reserve trust fund.

[SB 1092](#) makes a general fund appropriation of \$50,000,000 for fiscal year 2013-2014 to recapitalize the emergency and budget reserve fund.

###