

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON FINANCE
ON
SENATE BILL NO. 404, S.D. 1

March 25, 2009

RELATING TO THE EMERGENCY AND BUDGET RESERVE FUND

Senate Bill No. 404, S.D. 1, appropriates an unspecified amount from the Emergency and Budget Reserve Fund for Fiscal Year 2010 to an unspecified agency for a Chapter 42F grant.

We are opposed to this bill. Rather than using the Emergency and Budget Reserve Fund to supplement general funds, in light of the critical budget shortfall facing the State, we believe it is more appropriate to use the Emergency and Budget Reserve Fund to replace general funds. Accordingly, in House Bill No. 1064, we have proposed to use \$60 million from the Emergency and Budget Reserve Fund to replace general funds that are currently appropriated for the health care payments program in Fiscal Year 2009. In addition, in House Bill No. 1065, we have proposed to use another \$15 million from the Emergency and Budget Reserve Fund to replace general fund appropriations for the health care payments program in Fiscal Year 2010. This will leave the Emergency and Budget Reserve Fund with projected balances of \$6.2 million, \$3.5 million and \$15.7 million in Fiscal Years 2009, 2010 and 2011, respectively.



House FIN Cmte
Wed, Mar 25, 2009
3:00 pm
room 308

National Association of Social Workers

Hawaii Chapter

March 24, 2009

TO: Rep. Marcus Oshiro, Chair
Members of the House Finance Committee

FROM: Debbie Shimizu, LSW
National Association of Social Workers, Hawaii Chapter

RE: SB 404 SD1 Relating to the Emergency and Budget Reserve Fund- **SUPPORT intent but prefer SB 1679 SD2 HD1**

Chair Oshiro and members of the House Finance Committee, I am Debbie Shimizu, Executive Director of the National Association of Social Workers (NASW), Hawaii Chapter. NASW is the largest professional organization for social workers in Hawaii. NASW **SUPPORTS the intent of SB 404 but prefer SB 1679 SD2 HD1.**

HRS 328L-3 established the Emergency and Budget Reserve Fund to fund the four purposes stated in SB 404, however, the statute also states that, "*Any act making appropriations from the emergency and budget reserve fund shall include a declaration of findings and purposes setting forth the purposes, the amounts, and the reasons why the appropriations are necessary...*"

The wording in SB 404 SD1 does not give enough specifics about the purpose and use of the money to be used and is not in the spirit of the use of the fund. In the past, the Legislature used the Emergency and Budget Reserve Fund to help fund specific public health, safety, and welfare programs whose funds were cut by the administration. It gave you, the Legislature, the control to determine how the funds would be used. Appropriating a lump sum amount allows the administration to use the funds for any program of their choosing and without public input.

SB 1679 SD2 HD1 identifies the programs and the amounts needed from the emergency and budget reserve fund. We support this approach.

Thank you for this opportunity to testify.



To: House Committee on Finance
Rep. Marcus R. Oshiro, Chair
Rep. Marilyn B. Lee, Vice-Chair

Date: March 25, 2009 - Conference Room 308 – 3:00 pm

Re: **SB 404, SD1: RELATING TO THE EMERGENCY AND BUDGET RESERVE FUND**

Chair Oshiro and Committee Members:

My name is Barbara Kim Stanton, State Director of AARP Hawaii. AARP is a membership organization of people 50 and older with nearly 160,000 members in Hawaii. We are committed to championing issues critical to Americans age 50+.

SB 404, SD1 would appropriate moneys from the emergency budget and reserve fund (commonly known as the “Rainy Day Fund”) for various programs, including grants for fiscal year 2009-2010.

AARP supports the intent of SB 404, SD1 but prefers SB 1679 HD1 as the purpose of the latter is more specific in the kinds of safety net programs which would support the most vulnerable population—the elderly, the disabled, children, caregivers, seniors, and the mentally ill.

While we understand that the state faces a significant budget shortfall, we urge the legislature to use the Rainy Day fund as intended by law--to first and foremost maintain the level of service needed for the health, public welfare and education of our most vulnerable residents.

The following points illustrate the scope of the need:

- Caregivers currently provide the majority of care in Hawaii, and the physical, emotional pressures on them are growing. At any given time, there are up to 169,000 family caregivers throughout the state, and the economic value of their unpaid care is estimated at \$1.45 billion per year.
- More than one fifth (21.2%) of Hawaii adults aged 60 and older have an income below 200% of the poverty threshold.
- Hawaii’s population is aging rapidly. The number of people age 65 and older in the state is projected to grow by about 86% in the next two decades.
- Hawaii has the highest percentage (nearly 13%) of grandparents raising grandchildren in the nation. These grandparents often forego their own health care needs to keep their families intact.

State government can avoid far greater costs in the future by funding essential community services today. Without that funding, today’s challenges could easily develop into tomorrow’s crises.

Thank you for the opportunity to testify.

To: The Honorable Marcus Oshiro, Chair
The Honorable Marilyn Lee, Vice Chair
House Committee on Finance

From: Laura Robertson, President/CEO
Goodwill Industries of Hawaii, Inc.

Date: March 25, 2009

Re: **Comments Concerning SB 404 SD1: Relating to the Emergency and Budget Reserve Fund**

We applaud the legislature for its leadership in the area of supporting human services.

However, this measure states that one of the four purposes of the emergency appropriation would be to "maintain levels of programs determined to be essential to public health, safety, welfare, and education". We find this purpose to be too broad and **for this reason would prefer to use SB 1679 as a vehicle bill for emergency appropriations for Health and Human Services Programs.**

Goodwill Industries of Hawaii is a 501(c)3 non-profit organization providing educational and career development programs. Goodwill works with people who have employment barriers, including welfare dependency, economic and resource barriers, lack of education/work experience, illiteracy and disadvantaged youth. Last year, Goodwill served more than 9,400 individuals throughout the state in its career development and training programs and placed over 1,800 into jobs.

Thank you for this opportunity to provide testimony on this matter.