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**TESTIMONY BY WESLEY K. MACHIDA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
SENATE BILL NO. 939**

**February 3, 2017  
9:30 A.M.  
Conference Room 211**

**RELATING TO STATE FUNDS**

Senate Bill No. 939, updates and clarifies pertinent sections in the statutes relating to investment and deposit functions of the Department of Budget and Finance.

The Department supports the bill to amend certain sections of the current statutes to reflect changes which have occurred over the years.

Section 36-21(a), HRS, "Short-term investment of state moneys" 1) updates the list of authorized investments to delete Student Loan Marketing Association "Sallie Mae" which is no longer a Government-Sponsored Enterprise; and 2) delete various student loan resource securities as an authorized investment types as the issuance of these types of securities has diminished and there no longer exists a liquid efficient market for these types of securities.

Section 40-32, HRS, "Payments by Honolulu accountants" is amended to reflect that all public accountants, as opposed to the current language of only "Honolulu accountants", shall be required to deposit any receipts at least weekly on behalf of the State.

Section 40-33, HRS, "By accountants out of Honolulu", is proposed to be repealed as the aforementioned proposed amendments to Section 40-32, HRS, would then be applicable to all public accountants without designation of "Honolulu accountants" or "accountants outside of Honolulu". This section would no longer be necessary and would require all public accountant to make deposits to the State Treasury at least weekly as set forth in Section 40-32, HRS.

Thank you for the opportunity to provide testimony on this measure.