

S.B. NO. 3099

JAN 28 2026

A BILL FOR AN ACT

RELATING TO THE EMERGENCY AND BUDGET RESERVE FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the emergency and
2 budget reserve fund, established by section 328L-3, Hawaii
3 Revised Statutes, serves as a fiscal safeguard to support
4 essential government functions during economic downturns,
5 revenue shortfalls, or emergencies. Pursuant to section 328L-
6 3(c), Hawaii Revised Statutes, the governor, through an
7 appropriations bill, may recommend expenditures from the fund
8 that meet the statutory purposes of the fund while providing
9 reasons justifying the necessity for the appropriations.
10 Pursuant to section 328L-3(d), Hawaii Revised Statutes, the
11 legislature may make appropriations from the fund for four
12 allowable statutory purposes and must approve the appropriations
13 bill by a two-thirds vote of both houses.

14 The legislature further finds that, in fiscal year 2026-
15 2027, the State faces continuing fiscal pressures arising from
16 emergencies, severe economic downturn, and unforeseen reductions
17 in revenue. The State faces increased costs associated with
18 maintaining levels of programs essential to public health,

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1 safety, welfare, and education, public services, providing
2 counter cyclical economic and employment programs in periods of
3 economic downturn, restoring facilities destroyed or damaged or
4 services disrupted by disaster, and meeting other emergencies
5 declared by the governor, or as determined to be urgent by the
6 legislature.

7 The legislature finds that appropriations from the
8 emergency and budget reserve fund are needed to meet the
9 conditions of emergency, economic downturn, and unforeseen
10 reductions in revenues that the State will face. Further, the
11 legislature finds that the appropriations in this Act are
12 consistent with the purposes of the emergency and budget reserve
13 fund.

14 The purpose of this Act is to appropriate moneys from the
15 emergency and budget reserve fund of the State of Hawaii for
16 fiscal year 2026-2027 to maintain the levels of programs
17 determined to be essential to education, public health, and
18 public welfare, provide for counter cyclical economic and
19 employment programs of economic downturn, restore facilities
20 destroyed or damaged or services disrupted by disaster, and meet
21 other emergencies declared by the governor or determined to be
22 urgent by the legislature.

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1 SECTION 2. There is appropriated out of the emergency and
2 budget reserve fund the sum of \$ _____ or so much thereof
3 as may be necessary for fiscal year 2026-2027 for
4 _____.

5 Although the specific conditions necessitating this
6 expenditure are not fully known at this time, the appropriation
7 is necessary to ensure the availability of funds to address
8 emergencies or other urgent needs consistent with section 328L-
9 3(d), Hawaii Revised Statutes, and to prevent the disruption of
10 essential government functions.

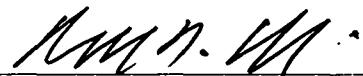
11 The sum appropriated shall be expended by the _____
12 for the purposes of this Act.

13 SECTION 3. This Act, upon its approval, shall take effect
14 on July 1, 2026.

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16

INTRODUCED BY:



17

BY REQUEST

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Report Title:

Emergency and Budget Reserve Fund; Appropriation

Description:

Appropriates moneys out of the Emergency and Budget Reserve Fund for fiscal year 2026-2027 to maintain the levels of programs determined to be essential to education, public health, and public welfare, to provide for counter cyclical economic and employment programs of economic downturn, to restore facilities destroyed or damaged or services disrupted by disaster, and to meet other emergencies declared by the governor or determined to be urgent by the legislature.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

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JUSTIFICATION SHEET

DEPARTMENT: Budget and Finance

TITLE: A BILL FOR AN ACT RELATING TO THE EMERGENCY AND BUDGET RESERVE FUND.

PURPOSE: To appropriate moneys out of the Emergency and Budget Reserve Fund for fiscal year 2026-2027 to maintain the levels of programs determined to be essential to education, public health, and public welfare, to provide for counter cyclical economic and employment programs of economic downturn, to restore facilities destroyed or damaged or services disrupted by disaster, and to meet other emergencies declared by the Governor or determined to be urgent by the Legislature.

MEANS: Enact a session law to appropriate moneys out of the Emergency and Budget Reserve Fund, pursuant to section 328L-3, Hawaii Revised Statutes (HRS) .

JUSTIFICATION: The Emergency and Budget Reserve Fund, established under section 328L-3, HRS, serves as a fiscal safeguard to support essential government functions during economic downturns, revenue shortfalls, or emergencies. In fiscal year 2026-2027, the State will face fiscal pressures arising from increased costs associated with disaster response and recovery, responding to public health and housing affordability challenges, and ensuring the delivery of public services in light of economic uncertainty and escalating costs.

Pursuant to section 328L-3(c), the Governor may recommend expenditures from the Emergency and Budget Reserve Fund by setting forth the purposes of the expenditures, the amounts, and the reasons justifying the necessity for the appropriations. This bill serves as the vehicle for requesting such expenditures.

Impact on the public: The appropriation of moneys out the Emergency and Budget Reserve Fund will benefit Hawaii's residents by ensuring the continuity of essential public services.

Impact on the department and other agencies: Moneys appropriated out of the Emergency and Budget Reserve Fund will be used to ensure the uninterrupted continuation of essential public services by supplementing the budgets of departments experiencing fiscal constraints.

GENERAL FUND: None.

OTHER FUNDS: To be determined.

PPBS PROGRAM
DESIGNATION: To be determined.

OTHER AFFECTED
AGENCIES: To be determined.

EFFECTIVE DATE: July 1, 2026.