



The Thirtieth Legislature, State of Hawaii
House of Representatives
Committee on Finance

Testimony by
Hawaii Government Employees Association

May 11, 2020

S.B. 3139, S.D. 1, Proposed H.D. 1 – RELATING TO THE STATE BUDGET

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of the proposed H.D. 1 to S.B. 3139, S.D. 1 which makes deposits into the emergency and budget reserve fund by replacing general fund appropriations with general obligation bond proceeds and transfers savings and excess funds into the emergency and budget reserve fund.

We sincerely appreciate the Legislature prioritizing our health and safety and addressing the projected budget shortfall with minimal financial impact to the industries that will lead us out of the anticipated recession. COVID-19 has instantly and dramatically impacted not only our state but the entire world. During this worldwide pandemic, our collective reliance on each other could not be more apparent. Our state must strategize and coalesce behind a multipronged approach to lay the foundation of our financial future, including seeking unrestricted federal funding via a supplemental Coronavirus Aid, Relief, and Economic Security (CARES) Act, utilizing the Federal Reserve Bank Municipal Liquidity Facility, and transferring money from special funds and underutilized funds, as this measure does.

We strongly oppose and object to Governor Ige's proposed 20% pay cut and furlough plan. Now is not the time to slash the salaries of your frontline employees who are sacrificing their own health and safety to ensure the health and safety of our community. Local and national economists agree that we cannot afford to cut our way to economic stability. The University of Hawaii Economic Research Organization (UHERO), projects that the Administration's proposed 20% salary cut would lead to a staggering \$3.3 billion drop in gross domestic product over the next two years. We continue to emphasize the devastating, and likely permanent, effect that the proposed cuts will have on our economy.

All stakeholders must work in partnership to ensure our economic recovery and we must remain committed to protecting and funding our frontline employees. Thank you for the opportunity to testify in strong support of the innovative solutions contained in the proposed H.D. 1 to S.B. 3139, S.D. 1.