



ISLAND COMMENTARY

Rainy Day Fund should be used for its original purposes

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Editor's note: This commentary was submitted by AARP Hawaii, the Caregiver Foundation of America, Hawaii Family Caregiver Coalition, Joint Advocacy Council on Senior Affairs, Kokua Council, PHOCUSED and the Policy Advisory Board for Elder Affairs.

A hallmark of all compassionate societies is a commitment to their most vulnerable and needy members.

In 1999, lawmakers affirmed Hawaii's obligation to the disadvantaged by creating the Emergency and Budget Reserve (Rainy Day) Fund. The law was established to maintain programs essential to public health, safety, welfare and education and "provide for counter-cyclical economic and employment programs in periods of economic downturn."

The Rainy Day law specifically prohibits tapping the fund for collective bargaining costs. The Legislature knew that the law's primary purpose would never be met if the fund were used to cover state employee compensation costs. It was clear then, and it is clear today, that funding labor contracts would quickly drain the fund. Today, however, some want to use that same Rainy Day fund — current balance approximately \$60 million — to reduce furloughs. This is not appropriate and would decimate the fund because the state Department of Education faces a \$100 million shortfall for the next academic year alone, the bulk of which is related to salaries and benefits. Raiding the fund to simply balance the budget would be a step backwards.

In the current economic climate of mass layoffs and increased hardship, providing help for those in need is more important than ever. Senate Bill 2469-SD2 lists more than 40 programs that preserve core services in the social safety net that are eligible for Rainy Day funding. Many have to do with children. Others target families who are a heartbeat away from destitution. Some programs, like Lanakila Meals on Wheels, address the needs of senior citizens.

The safety net is crumbling around us. Cuts in rental subsidies are swelling the ranks of the homeless. Catholic Charities has testified that "there are more people coming to our doors needing food, shelter, jobs and other basics of life."

Some health and human service programs can literally make the difference between life and death. One is the emergency room at the Waianae Coast Community Health Center. It serves about 10,000 people each year and will have to sharply curtail its services without state funding support. Another is funding for domestic violence shelters. As the chief executive of Child and Family Services has testified: "It's only a matter of time when the next domestic violence victim is murdered and leaves behind children with no parents."

Our Legislature has difficult choices to make in reducing costs and increasing revenues. It must weigh these choices carefully. For example, reducing support for childcare makes no sense if it forces parents to leave jobs, stop paying taxes and qualify for welfare benefits. Another program, Kupuna Care, keeps elders in their homes, helping the state avoid much higher Medicaid costs. Cuts here can result in much higher costs elsewhere, with taxpayers eventually shouldering the added burden.

As a community, we gain nothing in balancing the needs of our school children against the needs of everyone else. As Howard Garval of Child and Family Services states, "It should not come down to a choice between education or human services. Many at-risk children will not succeed in school without the social services that support and strengthen families. Programs like Healthy Start that intervene early with at-risk infants and young children are as important as ending Furlough Fridays."

The Rainy Day fund must be used to help the needy. Let's uphold the integrity of the law as it was established. We do not envy our legislators for having to make the tough decisions in this dire economic time, but we trust they have the wisdom to not turn their backs on the human needs of the entire community.

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