Analyses of Proposed Special and Revolving Funds 2021

Section 23-11, Hawai‘i Revised Statutes, requires the Auditor to submit no later than 30 days prior to the end of the legislative session an analysis of each new special or revolving fund proposed by legislative bills.

Report No. 21-04
March 2021
Constitutional Mandate

Pursuant to Article VII, Section 10 of the Hawai‘i State Constitution, the Office of the Auditor shall conduct post-audits of the transactions, accounts, programs and performance of all departments, offices and agencies of the State and its political subdivisions.

The Auditor’s position was established to help eliminate waste and inefficiency in government, provide the Legislature with a check against the powers of the executive branch, and ensure that public funds are expended according to legislative intent.

Hawai‘i Revised Statutes, Chapter 23, gives the Auditor broad powers to examine all books, records, files, papers and documents, and financial affairs of every agency. The Auditor also has the authority to summon people to produce records and answer questions under oath.

Our Mission

To improve government through independent and objective analyses.

We provide independent, objective, and meaningful answers to questions about government performance. Our aim is to hold agencies accountable for their policy implementation, program management and expenditure of public funds.

Our Work

We conduct performance audits (also called management or operations audits), which examine the efficiency and effectiveness of government programs or agencies, as well as financial audits, which attest to the fairness of financial statements of the State and its agencies.

Additionally, we perform procurement audits, sunrise analyses and sunset evaluations of proposed regulatory programs, analyses of proposals to mandate health insurance benefits, analyses of proposed special and revolving funds, analyses of existing special, revolving and trust funds, and special studies requested by the Legislature.

We report our findings and make recommendations to the Governor and the Legislature to help them make informed decisions.

For more information on the Office of the Auditor, visit our website: http://auditor.hawaii.gov
Foreword

This report compiles our analyses of new special and revolving funds proposed by 2021 legislative bills. The analyses were prepared in accordance with Section 23-11, Hawai‘i Revised Statutes, which requires the Auditor to analyze all legislative bills introduced each session that propose to establish new special or revolving funds. Our work was performed from January to February 2021.

Leslie H. Kondo
State Auditor
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Analyses of Proposed Special and Revolving Funds 2021

SECTION 23-11, HAWAI‘I REVISED STATUTES (HRS), requires the Auditor to analyze all legislative bills introduced each session that propose to establish new special or revolving funds. Specifically, the Auditor’s analysis of each bill must be based on the following criteria:

1. The need for the fund, as demonstrated by:
   a. The purpose of the program to be supported by the fund;
   b. The scope of the program, including financial information on fees to be charged, sources of projected revenue, and costs; and
   c. An explanation of why the program cannot be implemented successfully under the general fund appropriation process; and

2. Whether there is a clear nexus between the benefits sought and charges made upon the program users or beneficiaries or a clear link between the program and the sources of revenue, as opposed to serving primarily as a means to provide the program or users with an automatic means of support that is removed from the normal budget and appropriation process.

We reviewed 75 House and Senate bills proposing 51 special and revolving funds during the 2021 legislative session.
We sent surveys to bill introducers requesting information about the proposed funds, including the need for the fund as set forth in Section 23-11(b)(1), HRS, and nexus as required by Section 23-11(b)(2), HRS.

Our review included survey responses and statutory criteria; we include with each analysis an assessment of alternative forms of funding and, where we are able, the probable effects of the proposed fund.

We reviewed 75 House and Senate bills proposing 51 special and revolving funds during the 2021 legislative session. None satisfied the criteria set forth in Section 23-11, HRS, for proposed special and revolving funds. References to House Draft and Senate Draft versions reflect bill status at the time of our review.

Table 1 summarizes the results of our analyses.
### Exhibit 1
**Analyses of Proposed Special and Revolving Funds 2021**

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**Notes:**

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Y = Yes  N = No  P = Partial  U = Unclear
Affordable Homeownership Revolving Fund  
S.B. No. 143, S.D. 1 and H.B. No. 79, H.D. 1  
Does Not Meet Criteria

Description and Purpose of the Proposed Fund

These bills propose to establish the Affordable Homeownership Revolving Fund to be administered by the Hawai‘i Housing Finance and Development Corporation (HHFDC). The purpose of the fund is to provide loans for the development of affordable for-sale housing projects by nonprofit community development financial institutions and nonprofit housing development organizations to facilitate greater affordable homeownership opportunities for Hawai‘i residents. Revenues for the fund are from legislative appropriations, private contributions, proceeds from repayment of loans, interest, other returns, and moneys from other sources. S.B. No. 143, S.D. 1, also proposes that $1 million of general funds be appropriated into the fund for fiscal years 2022 and 2023. Moneys in the fund will be used to provide loans for the development, pre-development, construction, acquisition, preservation, and substantial rehabilitation of affordable for-sale housing units. Use of the moneys in the fund may include but are not limited to planning, design, land acquisition, including the costs of options, agreements of sale, and down payments; equity financing as matching funds for nonprofit community development financial institutions; or other housing development services or activities as provided in rules adopted by HHFDC.

Analysis

These bills do not satisfy all criteria for establishing a revolving fund because there is only partial nexus or linkage between the fund’s sources of revenues and expenditures, as described below.

Demonstrated Need For the Fund

According to information provided by the bills’ introducers, the fund is needed to support the development of affordable housing projects, which cannot be successfully implemented with general fund appropriations because timing for the development of housing does not sync with the general fund appropriation process. Opportunities for land acquisitions may be lost if a ready source of loan capital is not available. The planning, entitlement, design, and construction processes are not sequential and cannot be constrained to match the general fund appropriation process.
Nexus or Linkage

Nexus or linkage exists between the development of affordable housing projects and proceeds from repayment of loans, private contributions, interest, and other returns. However, nexus or linkage does not exist between the fund’s activities and continued support from legislative appropriations (in excess of initial seed moneys). Without additional information, it is unclear whether nexus or linkage exists between the fund’s activities and “moneys from other sources.”
Agricultural Enterprise Special Fund
S.B. No. 1025,* S.B. No. 1248, and H.B. No. 871, H.D. 1
Does Not Meet Criteria

*At the time of our review, this bill failed to meet one or more legislative deadlines.

Description and Purpose of the Proposed Fund

These bills propose to establish the Agricultural Enterprise Special Fund and the Agricultural Enterprise Program to be administered by the Department of Agriculture. The purpose of the program is to allow ancillary and other activities related to and supportive of agriculture, without the restrictive conditions under the existing Agriculture Park and Non-Agricultural Park program. Revenues for the fund are from legislative appropriations to the special fund; and all lease rent, fees, penalties and any other revenue or funds collected from agricultural enterprise lands and agricultural enterprises. Moneys in the fund will be used for planning, designing, constructing, operating, maintaining, managing, repairing, demolishing, and removing infrastructure or improvements on agricultural enterprise lands and for agricultural enterprises under this chapter.

Analysis

These bills do not satisfy criteria for establishing a special fund.

Demonstrated Need For the Fund

There is insufficient information to demonstrate that a special fund is needed to support the program. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented through the general fund appropriation process was not provided. Information from the Department of Agriculture states the program could be supported through appropriations from the general fund, but does not exist in the department’s current budget.

Nexus or Linkage

Nexus or linkage exists between the program and lease rent, fees, penalties and any other revenue or funds collected from agricultural enterprise lands and agricultural enterprises. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.
**ALOHA Homes Revolving Fund**

**S.B. 1, S.D. 1 and H.B. No. 607***

**Does Not Meet Criteria**

*At the time of our review, this bill failed to meet one or more legislative deadlines.*

<table>
<thead>
<tr>
<th>Description and Purpose of the Proposed Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>These bills propose to establish the ALOHA Homes Revolving Fund and the ALOHA Homes Program to be administered by the Hawai’i Housing Finance and Development Corporation (HHFDC). The purpose of the program is to provide low-cost, high density leasehold homes for sale to Hawai’i residents on state-owned lands within a one-mile radius of a public transit station. Revenues for the fund are from all receipts and revenues collected by the corporation pursuant to Section 2 of both bills. These bills also propose an unspecified amount of general funds be appropriated for fiscal years 2022 and 2023 to fund one full-time program manager position, one full-time compliance specialist and one full-time fiscal clerk within HHFDC. Moneys in the fund will be used for the purposes of the program.</td>
</tr>
</tbody>
</table>

**Analysis**

These bills do not satisfy criteria for establishing a revolving fund.

**Demonstrated Need For the Fund**

There is insufficient information to demonstrate a revolving fund is needed to support the program. Sufficient detail on revenue sources and expenses and other financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented through the general fund appropriation process was not provided.

**Nexus or Linkage**

Without additional information, it is unclear whether nexus or linkage exists between the fund’s permitted expenses (“for the purposes of this subpart”) and the revenues described in these bills.
Cigarette Litter Abatement Special Fund
S.B. No. 511*
Does Not Meet Criteria
*At the time of our review, this bill failed to meet one or more legislative deadlines.

Description and Purpose of the Proposed Fund

This bill proposes to establish the Cigarette Litter Abatement Special Fund to be administered by the Department of Health. Revenues for the fund are from a proposed excise tax on each cigarette or little cigar sold, used, or possessed by a wholesaler or dealer; legislative appropriations; and gifts, donations, and grants from public agencies and private persons. This bill also proposes an unspecified amount of general funds be appropriated into the fund for fiscal years 2022 and 2023. Moneys in the fund will be used to refund overpayment of the cigarette excise tax; on outreach and education to prevent improper cigarette litter disposal; for costs to collect and remove cigarette litter from public lands and public spaces; and to reimburse a county for costs of collecting and removing cigarette litter on public lands and public spaces within the county’s control.

Analysis

This bill does not satisfy criteria for establishing a special fund.

Demonstrated Need For the Fund

There is insufficient information to demonstrate a special fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

Nexus or Linkage

Nexus or linkage exists between the activities described in the bill and revenues collected from a proposed excise tax on each cigarette or little cigar sold, used, or possessed by a wholesaler or dealer and gifts, donations, and grants. However, nexus or linkage does not exist between the fund’s activities and continued support from legislative appropriations.
Clean Energy and Energy Efficiency Revolving Loan Fund
S.B. No. 932, S.D. 1; S.B. No. 1059;* H.B No. 558, H.D. 1; H.B. No. 905;* and H.B. No. 1172*
Does Not Meet Criteria
*At the time of our review, these bills failed to meet one or more legislative deadlines.

Description and Purpose of the Proposed Fund

These bills propose to establish the Clean Energy and Energy Efficiency Revolving Loan Fund to be administered by the Hawai‘i Green Infrastructure Authority, an agency attached to the Department of Business, Economic Development and Tourism. Revenues for the fund are from moneys borrowed by the Authority (up to $50 million); funds from federal, state, county, private, or other funding sources; investments from public or private investors; moneys received as repayment of loans and interest; and any fees collected by the Authority as a result of the funds advanced from proceeds of the green energy market securitization bonds. Moneys in the fund will be used to provide low-cost loans at below-market rates or other authorized financial assistance to eligible public, private, and nonprofit borrowers for clean energy investments, administrative and legal costs, and management costs associated with individual loans.

Analysis

These bills do not satisfy criteria for establishing a revolving fund.

Demonstrated Need For the Fund

The criteria for demonstrating the need for this revolving fund have not been met because sufficient information explaining why the program activities cannot be successfully implemented through the general fund appropriation process was not provided.

Nexus or Linkage

Nexus or linkage exists between program activities and moneys borrowed by the Hawai‘i Green Infrastructure Authority, moneys received as repayment of loans and interest, and any fees collected by the authority as a result of the funds advanced from proceeds of the green energy market securitization bonds. However, nexus or linkage does not exist between the program activities and funds from federal, state, county, private, or other funding sources and investments from public or private investors.
# Climate Change Mitigation and Adaptation Commission Special Fund

## H.B. No. 1334*

### Does Not Meet Criteria

*At the time of our review, this bill failed to meet one or more legislative deadlines.

<table>
<thead>
<tr>
<th>Description and Purpose of the Proposed Fund</th>
<th>This bill proposes to establish the Climate Change Mitigation and Adaptation Commission Special Fund. Revenues for the fund are from a proposed rental motor vehicle emissions surcharge, which will be levied upon the lessor of any rental motor vehicle with certain exceptions described in the bill. Moneys in the fund will be used to support the activities of the Climate Change Mitigation and Adaptation Commission, which include, among other things, providing policy direction, facilitation, coordination, and planning among state, county, and federal agencies and establishing climate change mitigation and adaptation strategies and goals.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analysis</td>
<td>This bill does not satisfy criteria for establishing a special fund.</td>
</tr>
<tr>
<td>Demonstrated Need For the Fund</td>
<td>There is insufficient information to demonstrate a special fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.</td>
</tr>
<tr>
<td>Nexus or Linkage</td>
<td>Without additional information, it is unclear whether nexus or linkage exists between the activities described in the bill and the proposed rental motor vehicle emissions surcharge.</td>
</tr>
</tbody>
</table>
# Climate Change Mitigation Special Fund

**H.B. No. 433, H.D. 1**

**Does Not Meet Criteria**

## Description and Purpose of the Proposed Fund

This bill proposes to establish the Climate Change Mitigation Special Fund. Revenues for the fund are from a proposed climate change mitigation impact fee, which will require every rental motor vehicle customer to pay a fee for renting, leasing, or utilizing a rental motor vehicle with certain exceptions noted in the bill; appropriations made by the Legislature; and donations and contributions made by private individuals or organizations. Moneys in the fund will be used for climate change mitigation; environmental management and planning; environmental conservation; management and protection of natural resources and ecosystems; environmental awareness and education; and sustainable tourism practices.

## Analysis

**This bill does not satisfy criteria for establishing a special fund.**

## Demonstrated Need For the Fund

There is insufficient information to demonstrate a special fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

## Nexus or Linkage

Nexus or linkage exists between the activities described in the bill and a climate change impact fee collected from certain rental motor vehicle customers, as well as donations and contributions from private individuals or organizations. However, nexus or linkage does not exist between the activities described in the bill and continued support from legislative appropriations.
Computer Science Special Fund  
S.B. No. 242, S.D. 2 and H.B. No. 1222, H.D. 1  
Does Not Meet Criteria

Description and Purpose of the Proposed Fund

These bills propose to establish the Computer Science Special Fund. Revenues for the fund are from appropriations by the Legislature and gifts, donations, and grants from public agencies and private persons for computer science training and computer science pathways. Moneys in the fund will be used by the Department of Education to provide grants to eligible entities to (1) deliver professional development programs for teachers providing instruction in computer science courses and computer science content; and (2) support computer science pathways in kindergarten through twelfth grade, including work-based learning partnerships.

Analysis

These bills do not satisfy criteria for establishing a special fund.

Demonstrated Need For the Fund

There is insufficient information to demonstrate a special fund is needed to support the activities described in the bills. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bills cannot be successfully implemented through the general fund appropriation process was not provided.

Nexus or Linkage

Nexus or linkage exists between the activities described in the bills and gifts, donations, and grants from public agencies and private persons for computer science training and computer science pathways. However, nexus or linkage does not exist between the activities described in the bills and continued support from legislative appropriations.
Conservation Workforce Special Fund
S.B. No. 666, S.D. 1 and H.B. No. 805*
Does Not Meet Criteria

*At the time of our review, this bill failed to meet one or more legislative deadlines.

Description and Purpose of the Proposed Fund

These bills propose to establish the Conservation Workforce Special Fund and the Conservation Advisory Committee to be administratively placed within the Department of Land and Natural Resources. The purpose of the Committee is to develop a funding criteria and transparency and governance framework to ensure that management of the conservation workforce special fund “safeguards the fidelity of the special fund towards natural resource management and conservation job growth.” Revenues for the fund are from all revenues from a proposed green fee surcharge, appropriations made by the Legislature, and grants and gifts made to the special fund. Moneys in the fund will be used for workforce programs and services with the explicit aim of meeting the goals of the “Aloha+ Challenge” natural resource management targets and certain International Union for Conservation of Nature’s “30by30” goals, as noted in the bills.

Analysis

These bills do not satisfy criteria for establishing a special fund.

Demonstrated Need For the Fund

There is insufficient information to demonstrate a special fund is needed to support the activities described in the bills. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bills cannot be successfully implemented through the general fund appropriation process was not provided.

Nexus or Linkage

Nexus or linkage exists between activities described in the bills and revenues from a proposed green fee surcharge and grants and gifts made to the special fund. However, nexus or linkage does not exist between the activities described in the bills and continued support from legislative appropriations.
Current and Returning Resident Down Payment Special Fund
S.B. No. 844*
Does Not Meet Criteria

*At the time of our review, this bill failed to meet one or more legislative deadlines.

Description and Purpose of the Proposed Fund

This bill proposes to establish the Current and Returning Resident Down Payment Special Fund and the Current and Returning Resident Down Payment Program to be administered by the Hawai‘i Housing Finance and Development Corporation. The purpose of the program is to encourage former Hawai‘i residents to return to Hawai‘i and assist current Hawai‘i residents with the State’s high cost of living by awarding grants to assist with the down payment on the purchase of a primary residence. Revenues for the fund are from appropriations made by the Legislature and repayments to the fund when applicants who receive an award fail to satisfy statutory eligibility requirements. This bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal years 2022 and 2023. Moneys in the fund will be used for the purposes of the Current and Returning Resident Down Payment Program.

Analysis

This bill does not satisfy criteria for establishing a special fund.

Demonstrated Need For the Fund

The criteria for demonstrating the need for this special fund have not been met because an adequate explanation of why the program cannot be successfully implemented through the general fund appropriation process was not provided.

Nexus or Linkage

Nexus or linkage exists between the program and repayments to the fund when applicants who receive an award fail to satisfy statutory eligibility requirements. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.
**Electonic Citation Special Fund**  
**H.B. No. 1377**  
**Does Not Meet Criteria**

### Description and Purpose of the Proposed Fund

This bill proposes to establish the Electronic Citation Special Fund and the Electronic Citation Program to be administered by the Judiciary. The purpose of the Electronic Citation Program is to assist with the transmission of traffic, misdemeanor, or other citations electronically to the clerk of the court and by implementing a more efficient process for the police departments. Revenues for the fund are from electronic citation fees, charges, and other moneys collected pursuant to any traffic misdemeanors or other violations; appropriations by the Legislature to the special fund; and all moneys received from public or private sources for the purposes of this fund. This bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2022. Moneys in the fund will be distributed by the Judiciary to respective county police departments and to the clerk of the court to defray expenses related to the establishment and maintenance of the Electronic Citation Program.

### Analysis

**This bill does not satisfy criteria for establishing a special fund.**

### Demonstrated Need For the Fund

The criteria for demonstrating the need for this special fund have not been met because an adequate explanation of why the program cannot be successfully implemented through the general fund appropriation process was not provided.

### Nexus or Linkage

Nexus or linkage exists between the program and electronic citation fees, charges, and other moneys collected pursuant to any traffic misdemeanors or other violations. However, nexus or linkage does not exist between the program and continued support from legislative appropriations. It is unclear whether nexus or linkage exists between the program and “moneys received from public or private sources” without additional information.
Electronic Smoking Device Retailer Registration and Enforcement Unit Special Fund
H.B. No. 826, H.D. 2
Does Not Meet Criteria

Description and Purpose of the Proposed Fund

This bill proposes to establish the Electronic Smoking Device Retailer Registration and Enforcement Unit Special Fund to be administered by the Department of the Attorney General. Revenues for the fund are from all moneys collected for violations of electronic smoking device compliance pursuant to the Federal Food, Drug, and Cosmetic Act, as amended by the Family Smoking Prevention and Tobacco Control Act and its regulations. Moneys in the fund will be used to support a portion of the operating expenses of the Electronic Smoking Device Retailer Registration Unit.

Analysis

This bill does not satisfy criteria for establishing a special fund.

Demonstrated Need For the Fund

There is insufficient information to demonstrate that a special fund is needed to support the Electronic Smoking Device Retailer Registration Unit. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the Electronic Smoking Device Retailer Registration Unit cannot be successfully implemented through the general fund appropriation process was not provided.

Nexus or Linkage

Nexus or linkage exists between the Electronic Smoking Device Retailer Registration Unit and moneys collected for violations of electronic smoking device compliance pursuant to the Federal Food, Drug, and Cosmetic Act and its regulations.
Gaming Regulation Special Fund  
H.B. No. 383*  
Does Not Meet Criteria  

*At the time of our review, this bill failed to meet one or more legislative deadlines.

Description and Purpose of the Proposed Fund

This bill proposes to establish the Gaming Regulation Special Fund and the Poker Commission to be attached to the Department of Business, Economic Development and Tourism for administrative purposes. The purpose of the Poker Commission is to oversee the licensing and operation of live poker rooms and other specified gaming activities in the State. Revenues for the fund are from all revenues from the operations of the Poker Commission and appropriations made by the Legislature. This bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2022. Moneys in the fund will be used for the enforcement operations of the Poker Commission and public outreach and education efforts of the Poker Commission.

Analysis

This bill does not satisfy criteria for establishing a special fund.

Demonstrated Need For the Fund

There is insufficient information to demonstrate a special fund is needed to support the Poker Commission. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the Poker Commission cannot be successfully implemented through the general fund appropriation process was not provided.

Nexus or Linkage

Nexus or linkage exists between the Poker Commission’s oversight of the licensing and operation of live poker rooms and other specified gaming activities in the State and fees and fines collected by the Poker Commission. However, nexus or linkage does not exist between the Poker Commission’s oversight and continued support from legislative appropriations.
Gaming Special Fund
S.B. No. 853
Does Not Meet Criteria

Description and Purpose of the Proposed Fund

This bill proposes to establish the Gaming Special Fund and the Hawai‘i Gaming Corporation, which shall be an instrumentality of the State but shall not be a State agency. The purpose of the Hawai‘i Gaming Corporation shall be to conduct and regulate wagering and gaming for the benefit of the State and for community betterment purposes. Revenues for the fund are “all moneys authorized,” including “moneys from any source, including income from the corporation’s operations.” Moneys in the fund will be used to effectuate the corporation’s purpose, including the payment of initiation, administration, and operation of the corporation; as well as payments allocated to public school capital improvements; University of Hawai‘i system capital improvements; scholarship and educational loan repayments for medical students who commit to practice medicine in Hawai‘i for ten years after completion of their residency; University of Hawai‘i John A. Burns School of Medicine family practice rural residency program; watershed protection; problem gambling reduction and prevention programs; and administration of the program and special fund.

Analysis

This bill does not satisfy criteria for establishing a special fund.

Demonstrated Need For the Fund

There is insufficient information to demonstrate a special fund is needed to support the program. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented through the general fund appropriation process was not provided.

Nexus or Linkage

Without additional information, it is unclear whether nexus or linkage exists between the activities described in the bill and moneys received from any source.
Green Tourism Special Fund  
H.B. No. 6*  
Does Not Meet Criteria  
*At the time of our review, this bill failed to meet one or more legislative deadlines.

<table>
<thead>
<tr>
<th>Description and Purpose of the Proposed Fund</th>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>This bill proposes to establish the Green Tourism Special Fund to be administered by the Department of Business, Economic Development and Tourism. Revenues for the fund are from proceeds of the environmental surcharge on visitor accommodations; appropriations made by the Legislature to the fund; all other grants, donations, and funds received by the department and legally available for the purposes of the Green Tourism Special Fund; and interest accrued on all amounts in the Green Tourism Special Fund. Moneys in the fund will be used for: creating jobs and expanding access to workforce development relating to environmental conservation, renewable energy, sustainability, and other economic sectors aligned with the State’s transition to a clean energy economy; advancing programs that conserve, preserve, sustain, or restore the State’s natural resources; establishing initiatives that promote solid waste reduction, recycling, bioconversion, and landfill diversion; increasing local food production and distribution; improving the resilience and energy performance of the State’s built environment; and delivering education on climate change, sustainability, and āina-based stewardship in public schools.</td>
<td>This bill does not satisfy criteria for establishing a special fund.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Demonstrated Need For the Fund</th>
<th>Nexus or Linkage</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is insufficient information to demonstrate that a special fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.</td>
<td>Nexus or linkage exists between the activities described in the bill and grants and donations received by the department for the purposes of the fund. However, nexus or linkage does not exist between the activities described in the bill and proceeds of an environmental surcharge on visitor accommodations, as well as continued support from legislative appropriations. It is also unclear whether nexus or linkage exists between the activities described in the bill and other funds received by the department.</td>
</tr>
</tbody>
</table>
Hale Kokua Special Fund  
H.B. No. 788*  
Does Not Meet Criteria  
*At the time of our review, this bill failed to meet one or more legislative deadlines.

Description and Purpose of the Proposed Fund

This bill proposes to establish the Hale Kokua Special Fund and the Hale Kokua Project to be administered by the Department of Human Services. The purpose of the Hale Kokua Project is to provide incentives and assistance to private property owners who set aside existing dwelling units, or construct new or improve existing dwelling units, for rental by families or individuals classified as homeless. Revenues for the fund are from a percentage of the conveyance tax collected and allocated to the Kokua Special Fund and moneys from any other private or public source. Moneys in the fund will be used to support the Hale Kokua Project, including paying for the incentive and assistance to private homeowners participating in the project and the necessary administrative expenses of the project.

Analysis

This bill does not satisfy criteria for establishing a special fund.

Demonstrated Need For the Fund

There is insufficient information to demonstrate that a special fund is needed to support the project. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the Hale Kokua Project cannot be successfully implemented through the general fund appropriation process was not provided.

Nexus or Linkage

Nexus or linkage does not exist between the Hale Kokua Project and a percentage of conveyance taxes. It is unclear whether nexus or linkage exists between the Hale Kokua Project and moneys from any other private or public source.
Hawai‘i Broadband Infrastructure Fund  
S.B. No. 917* and H.B. No. 1191, H.D. 2  
Does Not Meet Criteria

*At the time of our review, this bill failed to meet one or more legislative deadlines.

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**Description and Purpose of the Proposed Fund**

These bills propose to amend the existing Hawai‘i Technology Loan Revolving Fund by changing it to the Hawai‘i Broadband Infrastructure Fund and establish the Broadband Infrastructure Grant Program to be administered by the Department of Business, Economic Development and Tourism. The purpose of the program is to award grants for eligible projects that propose deployment of wireline broadband infrastructure to unserved areas. Revenues for the fund are from appropriations from the legislature and funds received from the federal government, a county, or the private sector, provided that the total amount of moneys in the fund shall not exceed ten million dollars at the end of any fiscal year. These bills also authorize the Director of Finance to issue general obligation bonds to be appropriated for the fund for fiscal year 2022. Moneys in the fund will be used for the purposes of investing in broadband infrastructure in the State.

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**Analysis**

These bills do not satisfy criteria for establishing a special fund.

**Demonstrated Need For the Fund**

There is insufficient information to demonstrate a special fund is needed to support the program. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why a Broadband Infrastructure Grant Program cannot be successfully implemented through the general fund appropriation process was not provided.

**Nexus or Linkage**

Nexus or linkage does not exist between the program and continued support from legislative appropriations. Without additional information, it is unclear whether nexus or linkage exists between the program and funds received from the federal government, a county, or the private sector.
**Hawai‘i Agriculture and Forest Carbon Positive Incentive Program Special Fund**  
**S.B. No. 493, S.D. 1**  
**Does Not Meet Criteria**

### Description and Purpose of the Proposed Fund

This bill proposes to establish the Hawai‘i Agriculture and Forest Carbon Positive Incentive Program Special Fund and the Hawai‘i Agriculture and Forest Carbon Positive Incentive Program to be administered by the Department of Business, Economic Development and Tourism’s Hawai‘i Green Infrastructure Authority. The purpose of the program is to incentivize carbon sequestration activities through carbon incentives contracts that provide for compensation for eligible activities. Revenues for the fund are from moneys appropriated by the Legislature; all interest attributable to investment of money deposited; moneys deposited in the fund from the environmental response, energy, and food security tax; and moneys allotted from other sources. This bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal years 2022 and 2023. Moneys in the fund will be used for the purposes of the program, including personnel salaries, inventory, and community and landowner outreach activities.

### Analysis

**This bill does not satisfy criteria for establishing a special fund.**

### Demonstrated Need For the Fund

There is insufficient information to demonstrate that a special fund is needed to support the Hawai‘i Agriculture and Forest Carbon Positive Incentive Program. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented through the general fund appropriation process was not provided.

### Nexus or Linkage

Nexus or linkage exists between the program and moneys deposited in the fund from the environmental response, energy, and food security tax. However, nexus or linkage does not exist between the program and continued support from legislative appropriations. Without additional information, it is unclear whether nexus or linkage exists between the program and moneys allotted from other sources.
Hawai‘i Beach Preservation Revolving Fund
H.B. No. 1373*
Does Not Meet Criteria

*At the time of our review, this bill failed to meet one or more legislative deadlines.

Description and Purpose of the Proposed Fund

This bill proposes to establish the Hawai‘i Beach Preservation Revolving Fund and the Contingent Mortgage Financing Pilot Program to be administered by the Department of Land and Natural Resources. The purpose of the program is to provide low-interest mortgage loans to any owner of a qualifying private residential shoreline property. Revenues for the fund are from legislative appropriations; moneys received as repayment of loan and interest payments; fees collected by the department pursuant to the proposed statutory sections in the bill; gifts, donations, and grants from any public or private entities; all interest earned or accrued on moneys deposited into the fund; and moneys paid to or allotted to the fund from other sources. This bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal years 2022 and 2023. Moneys in the fund will be used to provide low-interest mortgage loans to any owner of a qualifying private residential shoreline property in an expected sea level rise hazard zone or erosion hazard zone who relinquishes the shoreline property to the State and uses the mortgage loan to acquire or build a residential property mauka of expected sea level rise and erosion hazard zones.

Analysis

This bill does not satisfy criteria for establishing a revolving fund.

Demonstrated Need For the Fund

There is insufficient information to demonstrate that a revolving fund is needed to support the program. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented through the general fund appropriation process was not provided.
Nexus or Linkage

Nexus or linkage exists between the program and moneys received as repayment of loan and interest payments, interest earned or accrued on moneys deposited into the fund, and gifts, donations, and grants from any public or private entities. However, nexus or linkage does not exist between the program and fees collected by the department pursuant to the proposed statutory sections in the bill and continued support from legislative appropriations. Without additional information, it is unclear whether nexus or linkage exists between the program and moneys paid to or allotted to the fund from “other sources.”
Hawai‘i Diversification and Resilience in a Vibrant Economy Special Fund  
S.B. No. 1420  
Does Not Meet Criteria

Description and Purpose of the Proposed Fund

This bill proposes to establish the Hawai‘i Diversification and Resilience in a Vibrant Economy Special Fund and the Hawai‘i Diversification and Resilience in a Vibrant Economy Program to be administered by the Hawai‘i Technology Development Corporation, which is placed within the Department of Business, Economic Development and Tourism for administrative purposes. The purpose of the program is to encourage Hawai‘i-based small businesses to engage in economic diversification. Revenues for the fund are from all moneys received in economic diversification assistance from the federal government. Moneys in the fund will be used to provide a grant to any Hawai‘i-based business that receives a federal small business innovation research phase II award or contract from any participating federal agency as described in section 206M-15, Hawai‘i Revised Statutes (HRS).

Analysis

This bill does not satisfy criteria for establishing a special fund.

Demonstrated Need For the Fund

There is insufficient information to demonstrate that a special fund is needed to support the program. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented through the general fund appropriation process or federal funds designated within the Hawai‘i Financial Accounting and Management Information System (FAMIS) was not provided.

Nexus or Linkage

Nexus or linkage exists between the program and moneys received in economic diversification assistance from the federal government.
Hawai‘i Emergency Food Assistance Program Special Fund
S.B. No. 1250, S.D. 1 and H.B. No. 1255*
Does Not Meet Criteria
*At the time of our review, this bill failed to meet one or more legislative deadlines.

Description and Purpose of the Proposed Fund

These bills propose to establish the Hawai‘i Emergency Food Assistance Program Special Fund and the Hawai‘i Emergency Food Assistance Program to be administered by the Department of Agriculture during a declared state of emergency. The purpose of the program is to relieve situations of emergency food shortage experienced by families or individuals who reside in the State of Hawai‘i, including low-income and unemployed families and individuals, by distributing local food to those persons. Revenues for the fund are from monies appropriated to the fund from the Major Disaster Fund; appropriations made by the legislature; gifts, donations, and grants from public agencies and private persons; and interest from the special fund. These bills also propose that $5,000,000 of general funds be appropriated into the fund for fiscal years 2022 and 2023. Moneys in the fund will be used to provide immediate relief from food shortages during a declared state of emergency and shall not be expended unless a state of emergency has been declared.

Analysis

These bills do not satisfy criteria for establishing a special fund.

Demonstrated Need For the Fund

There is insufficient information to demonstrate a special fund is needed to support the Hawai‘i Emergency Food Assistance Program. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented through the general fund appropriation process was not provided.

Nexus or Linkage

Nexus or linkage exists between the program and gifts, donations, and grants from public agencies and private persons. However, nexus or linkage does not exist between the Hawai‘i Emergency Food Assistance Program and continued support from legislative appropriations. Without additional information, it is unclear whether nexus or linkage exists between the program and monies appropriated to the fund from the Major Disaster Fund.
Hazard Mitigation Special Fund  
S.B. No. 1107, S.D. 1 and H.B. No. 953, H.D. 1*  
Does Not Meet Criteria  

*At the time of our review, this bill failed to meet one or more legislative deadlines.

**Description and Purpose of the Proposed Fund**

These bills propose to establish the Hazard Mitigation Special Fund to be administered by the Hawai‘i Emergency Management Agency (Agency) within the Department of Defense. Revenues for the fund are from all revenues from any recovery or reimbursement for the mitigation of hazardous situations on private property including, the cutting, trimming, or removing of dangerous trees or branches that pose a hazard to other properties; stabilizing or removing unstable rock and soil hazards; or cleaning streams and waterways to mitigate or prevent flooding or other hazards, as well as appropriations made by the Legislature. Moneys in the fund shall be used for personnel costs and operating and administrative costs deemed necessary by the Agency.

**Analysis**

These bills do not satisfy criteria for establishing a special fund.

**Demonstrated Need For the Fund**

There is insufficient information to demonstrate a special fund is needed to support the activities described in the bills. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bills cannot be successfully implemented through the general fund appropriation process was not provided.

**Nexus or Linkage**

Nexus or linkage exists between the activities described in the bills and revenues from any recovery or reimbursement for the mitigation of hazardous situations on private property. However, nexus or linkage does not exist between the activities described in the bills and continued support from legislative appropriations.
Healthcare Workforce Development Special Fund
S.B. No. 517*
Does Not Meet Criteria
*At the time of our review, this bill failed to meet one or more legislative deadlines.

Description and Purpose of the Proposed Fund
This bill proposes to establish the Healthcare Workforce Development Special Fund and a healthcare workforce development public-private partnership to be administered by the Workforce Development Council within the Department of Labor and Industrial Relations for administrative purposes. The purpose of the workforce development public-private partnership is to develop and increase the healthcare workforce in the State. Revenues for the fund are from appropriations from federal, state, and local governments and contributions from private entities. Moneys in the fund will be used to develop and increase the healthcare workforce in the State through various activities, including, among other things, expanding the number of high schools and community colleges that have programs that facilitate students’ entry into the healthcare profession; recruitment of clinical training instructors from community college faculty, Department of Education faculty, and private industry; provide scholarships for Native Hawaiian and other minority students who are underrepresented in the healthcare industry; and offer paid internship programs.

Analysis
This bill does not satisfy criteria for establishing a special fund.

Demonstrated Need For the Fund
There is insufficient information to demonstrate a special fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

Nexus or Linkage
Nexus or linkage does not exist between the activities described in the bill and continued support from legislative appropriations. Without additional information, it is unclear whether nexus or linkage exists between appropriations from federal and local governments and contributions from private entities.
Healthy ‘Ohana Special Fund  
S.B. No. 541,* S.B. No. 1148,* H.B. No. 330,* and H.B. No. 994*  
Does Not Meet Criteria

*At the time of our review, these bills failed to meet one or more legislative deadlines.

### Description and Purpose of the Proposed Fund

These bills propose to establish the Healthy ‘Ohana Special Fund and the Sugar-Sweetened Beverage Fee Program to be administered by the Department of Health. The purpose of the program is to improve health and generate revenue for the State to support health, prevent chronic disease, and address root causes of health disparities in Hawai‘i. Revenues for the fund are from a proposed sugar-sweetened beverage fee established by the bill and related penalties, interest and earnings accruing from the investment of moneys in the fund, and appropriations made by the Legislature to the fund. These bills also propose that $250,000 of general funds be appropriated into the Healthy ‘Ohana Special Fund for fiscal years 2022 and 2023. Moneys in the fund will be used for implementation and evaluation of the Sugar-Sweetened Beverage Fee Program to address obesity prevention and oral health promotion services; supporting primary prevention and chronic disease prevention programs and support; and depositing a portion of moneys collected into a Healthy ‘Ohana Trust Fund also established by the bills.

### Analysis

These bills do not satisfy criteria for establishing a special fund.

### Demonstrated Need For the Fund

There is insufficient information to demonstrate that a special fund is needed to support the program. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented through the general fund appropriation process was not provided.

### Nexus or Linkage

Nexus or linkage exists between the program and the proposed sugar-sweetened beverage fee established by the bills.
Identified Drug Offset Special Fund  
H.B. No. 30*  
Does Not Meet Criteria  

*At the time of our review, this bill failed to meet one or more legislative deadlines.

Description and Purpose of the Proposed Fund

This bill proposes to establish the Identified Drug Offset Special Fund. The purpose of the bill is to “protect the safety, health, and economic well-being of the people of this State from the negative and harmful impact of unsupported price increases for prescription drugs.” Revenues for the fund are from penalties imposed for “unsupported price increases,” or increases in price for a prescription drug which are not adequately supported by new clinical evidence. Moneys in the fund will be used to offset the out-of-pocket cost to consumers for identified drugs and for certain administrative costs.

Analysis

This bill does not satisfy criteria for establishing a special fund.

Demonstrated Need For the Fund

There is insufficient information to demonstrate that a special fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

Nexus or Linkage

Nexus or linkage exists between the activities described in the bill and the revenues from penalties collected from manufacturers for unsupported price increases for prescription drugs.
Individual Housing Accounts Savings Program Administrative Fund
S.B. No. 26
Does Not Meet Criteria

Description and Purpose of the Proposed Fund

S.B. No. 26 proposes to establish the Individual Housing Accounts Savings Program Administrative Fund and the Individual Housing Accounts Savings Program, to be administered by the Individual Housing Accounts Savings Board, which will be administratively attached to the Department of Budget and Finance. The program allows employees in the State to contribute to an individual housing account established under the program through payroll deductions. Moneys in the account may be used for the purchase of a first principal residence or to provide assistance during economic hardships for capital improvements for homeownership, cemetery and mortuary services, or senior housing. Revenues for the fund are from all fees and interest collected under the program, appropriations from the general fund, and moneys transferred to the fund from the federal government, other state agencies, or local governments. This bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal years 2022 and 2023. Moneys in the fund will be used for administrative and operating expenses of the Individual Housing Accounts Savings Board. We note that subsequent amendments to S.B. No. 26 deleted and replaced its content with language that no longer establishes this fund.

Analysis

This bill does not satisfy criteria for establishing a special fund.

Demonstrated Need For the Fund

The criteria for demonstrating the need for this special fund have not been met because an explanation of why the program cannot be successfully implemented through the general fund appropriation process was not provided.

Nexus or Linkage

Nexus or linkage exists between the program and revenues from fees and interest collected under the program. However, nexus or linkage does not exist between the program and continued support from legislative appropriations. Without additional information, it is unclear whether nexus or linkage exists between the program and moneys transferred to the fund from the federal government, other state agencies, or local governments.
Landlord Incentive Program Special Fund  
S.B. No. 53*  
Does Not Meet Criteria  
*At the time of our review, this bill failed to meet one or more legislative deadlines.

Description and Purpose of the Proposed Fund

This bill proposes to establish the Landlord Incentive Program Special Fund. Revenues for the fund are from appropriations made by the Legislature to the special fund, as well as grants, gifts, and interest on moneys in the fund. This bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal years 2022 and 2023. Moneys in the fund will be used to reimburse landowners who participate in the Section 8 Housing Voucher Program to cover repair costs of tenant-caused property damage when the repair costs exceed the tenant’s security deposit.

Analysis

This bill does not satisfy criteria for establishing a special fund.

Demonstrated Need For the Fund

There is insufficient information to demonstrate that a special fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

Nexus or Linkage

Nexus or linkage exists between the activities described in the bill and any grants, gifts, and interest on moneys in the fund. However, nexus or linkage does not exist between the activities described in the bill and continued support from legislative appropriations.
Lipoa Point Special Management Area Special Fund
H.B. No. 588*
Does Not Meet Criteria

*At the time of our review, this bill failed to meet one or more legislative deadlines.

Description and Purpose of the Proposed Fund

This bill proposes to establish the Lipoa Point Special Management Area Special Fund. The bill also proposes to establish a “visitor fee” for the management and maintenance of the Lipoa Point Special Management Area and to educate visitors to the area regarding the stewardship activities being funded by the visitor fees. Revenues for the fund are from fees collected; appropriations by the Legislature; grants, donations, gifts, or other income received for the purposes of the special fund; federal funds; and interest earned or accrued on moneys in the fund. Moneys in the fund will be used to support the management of the Lipoa Point special management area, including but not limited to operations, maintenance costs, and providing and maintaining basic hygienic necessities at Honolua Bay, as well as providing educational awareness to visitors regarding the stewardship activities funded by the visitor fee.

Analysis

This bill does not satisfy criteria for establishing a special fund.

Demonstrated Need For the Fund

There is insufficient information to demonstrate that a special fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

Nexus or Linkage

Nexus or linkage exists between the activities described in the bill and the proposed visitor fee, as well as grants, donations, and gifts to the fund. However, nexus or linkage does not exist between the activities described in the bill and continued support from legislative appropriations. Without additional information, it is unclear whether nexus or linkage exists between the activities described in the bill and federal funds and “other income received.”
Description and Purpose of the Proposed Fund

These bills propose to establish the Lottery and Gaming Special Fund to be administered by the proposed Hawai‘i Lottery and Gaming Corporation. The purpose of the Hawai‘i Lottery and Gaming Corporation will be to conduct and regulate wagering and gaming for the benefit of the State and for community betterment purposes with the assistance of a private gaming provider. Revenues for the fund are from all proceeds of the Corporation’s gaming revenues. Moneys in the fund will be allocated for various purposes: Department of Education shortage differentials (25%), Department of Education capital improvements (25%), University of Hawai‘i system capital improvements (25%), scholarship and educational loan repayments for medical students who commit to practice medicine in Hawai‘i for ten years after completion of their residency (10%), the University of Hawai‘i John A. Burns School of Medicine Family Practice Rural Residency Program (10%), watershed protection (5%), problem gambling reduction and prevention programs (5%), and administration of the program and special fund (5%).

Analysis

These bills do not satisfy criteria for establishing a special fund.

Demonstrated Need For the Fund

The criteria for demonstrating the need for this special fund have not been met because an adequate explanation of why the activities described in the bills cannot be successfully implemented through the general fund appropriation process was not provided.

Nexus or Linkage

Nexus or linkage does not exist between the activities described in the bills and proceeds from legal gaming.
Marine Life Conservation District Special Fund
S.B. No. 769,* S.B. No. 1181,* and H.B. No. 1027, H.D. 1

Does Not Meet Criteria

*At the time of our review, these bills failed to meet one or more legislative deadlines.

Description and Purpose of the Proposed Fund

These bills propose to establish the Marine Life Conservation District Special Fund to be administered by the Department of Land and Natural Resources (DLNR). Revenues for the fund are from moneys collected as user fees or fees for permits issued pursuant to Section 190-4, HRS; revenues due to the State derived from leases of any lands, facilities, equipment, and other property; moneys collected as fines, bail forfeitures, attorney’s fees, and administrative costs for aquatic resources violations; moneys collected for the purposes of compensatory mitigation from federal or state permitted impacts to the environment or resources contained within the marine life conservation districts; grants, awards, donations, gifts, transfers, or moneys derived from private or public services; and moneys derived from interest, dividend, or other income from the above sources.

Moneys in the fund will be used for marine life conservation district monitoring, research, regulatory measures, enforcement actions, educational activities, or any other measure intended to conserve, supplement, and enhance the resources within any marine life conservation district established under the bills; to provide management, monitoring, and support for public fishing areas, community-based subsistence fishing areas, fisheries management areas, and other areas of localized management; to develop and carry out any compensatory mitigation measures for impacts to the marine environment, including impacts to the marine environment from federal or state permitted actions, or violations of this chapter or any rule adopted thereunder; or to develop and carry out research projects, educational programs, management initiatives, and any other activity intended to conserve, supplement, and enhance the marine environment throughout the State. Additionally, these bills state that 20 percent of all funds collected shall be payable to the Office of Hawaiian Affairs as ceded lands revenues.

Analysis

These bills do not satisfy criteria for establishing a special fund.
Demonstrated Need For the Fund

The criteria for demonstrating the need for this special fund have not been met because an adequate explanation of why the activities described in the bills cannot be successfully implemented through the general fund appropriation process was not provided.

Nexus or Linkage

Nexus or linkage exists between the activities described in the bills and user fees for entry into the boundaries of any marine life conservation district. However, without additional information, it is unclear whether nexus or linkage exists between the revenues described in the bills and payment of 20% of user fees to the Office of Hawaiian Affairs as ceded lands revenues.
Maritime Commission Special Fund  
S.B. No. 1348* and H.B. No. 1129*  
Does Not Meet Criteria  
*At the time of our review, these bills failed to meet one or more legislative deadlines.

Description and Purpose of the Proposed Fund

These bills propose to establish the Maritime Commission Special Fund and a Maritime Commission to be administratively attached to the Department of Commerce and Consumer Affairs. The bill allows the Commission and each commissioner to examine the affairs of all water carriers subject to the Hawai‘i Water Carrier Act, Chapter 271G, HRS. Revenues for the fund include “All moneys appropriated to, received, and collected by the commission that are not otherwise pledged, obligated, or required by law to be placed in any other special fund or expended for any other purpose,” including fees paid by water carriers subject to investigation by the commission. These bills also propose an unspecified amount of general funds be appropriated into the fund for fiscal year 2023. Moneys in the fund will be used by the commission for all expenses incurred in the administration of Chapter 271G, HRS.

Analysis

These bills do not satisfy criteria for establishing a special fund.

Demonstrated Need For the Fund

There is insufficient information to demonstrate that a special fund is needed to support the activities described in the bills. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bills cannot be successfully implemented through the general fund appropriation process was not provided.

Nexus or Linkage

Nexus or linkage exists between the proposed Maritime Commission’s activities and fees on water carriers.
Medicaid Sustainability Program Special Fund
S.B. No. 1132, S.D. 1 and H.B. No. 978*
Does Not Meet Criteria

*At the time of our review, this bill failed to meet one or more legislative deadlines.

Description and Purpose of the Proposed Fund

These bills propose to establish the Medicaid Sustainability Program Special Fund and the Medicaid Sustainability Program to be administered by the Department of Human Services (DHS). The purpose of the program is to ensure access to health care for Medicaid recipients by establishing a Medicaid sustainability fee assessed on health insurers and establishing a special fund to receive money from the Medicaid sustainability fee and federal matching Medicaid funds. Revenues for the fund are from the Medicaid sustainability fee; matching federal funds; interest and penalties levied under the program; and any designated appropriations, federal funds, donations, gifts, or moneys from any other sources. Moneys in the fund will be used to fund healthcare services covered under Medicaid and operations to support the administration of the Medicaid program.

Analysis

These bills do not satisfy all criteria for establishing a special fund because there is only partial nexus or linkage between the fund’s sources of revenues and expenditures, as described below.

Demonstrated Need For the Fund

This fund serves a similar need to two existing special funds administered by DHS, which receive federal Medicaid funds contingent upon matching state funds: the Hospital Sustainability Program Special Fund (Section 346G-4, HRS) and the Nursing Facility Sustainability Program Special Fund (Section 346F-4, HRS). DHS estimates that the proposed Medicaid sustainability fee will provide $25.5 million in funds, which would be deposited into the special fund and permit the State to draw down approximately $46.6 million in additional federal funds.

Nexus or Linkage

Nexus or linkage exists between the fund’s activities and the fees assessed on health insurers, as well as interest and penalties levied under the program. However, nexus or linkage does not exist between the fund’s activities and continued support from legislative appropriations. Without additional information, it is unclear whether nexus or linkage exists between the fund’s activities and “any designated appropriations” or “moneys from any other sources.”
**Micro Enterprise Assistance Program on Hawaiian Home Lands Revolving Fund**  
**H.B. No. 1175***  
**Does Not Meet Criteria**  
*At the time of our review, this bill failed to meet one or more legislative deadlines.*

<table>
<thead>
<tr>
<th>Description and Purpose of the Proposed Fund</th>
<th>This bill proposes to establish the Micro Enterprise Assistance Program on Hawaiian Home Lands Revolving Fund. Revenues for the fund are from appropriations from the Legislature; federal grants and subsidies to the State; private investments; and voluntary contributions. This bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal years 2022 and 2023. Moneys in the fund will be used to provide grants and loans to the following recipients through the implementation of the micro enterprise assistance program: qualified native Hawaiians as defined by the Hawaiian Homes Commission Act of 1920 and pursuant to title XII of the state constitution; native Hawaiian-controlled homestead associations with members who are qualified native Hawaiians as defined by the Hawaiian Homes Commission Act of 1920 and pursuant to title XII of the state constitution; and Hawaiian homestead associations’ designated tax exempt community development corporations.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analysis</td>
<td>This bill does not satisfy criteria for establishing a revolving fund.</td>
</tr>
<tr>
<td>Demonstrated Need For the Fund</td>
<td>There is insufficient information to demonstrate that a revolving fund is needed to support the program. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented through the general fund appropriation process was not provided.</td>
</tr>
<tr>
<td>Nexus or Linkage</td>
<td>Nexus or linkage does not exist between the program and continued support from legislative appropriations and, without additional information, it is unclear whether nexus or linkage exists between the program and the other revenue sources described in the bill.</td>
</tr>
</tbody>
</table>
No Child Left Inside Grant Program Special Fund
S.B. No. 507*
Does Not Meet Criteria

*At the time of our review, this bill failed to meet one or more legislative deadlines.

Description and Purpose of the Proposed Fund

This bill proposes to establish the No Child Left Inside Grant Program Special Fund and the No Child Left Inside Grant Program to be administered by the Department of Land and Natural Resources (DLNR). The program’s purpose is to provide grants to support public agencies, private organizations, and individuals in establishing and maintaining outdoor education and recreation programs for children. Revenues for the fund are from appropriations by the Legislature to the special fund; gifts, donations, and grants received by the program; moneys directed to DLNR for purposes of the program from any other source, including revenues generated pursuant to the administration of this chapter. This bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal years 2022 and 2023. Moneys in the fund will be used for awarding grants and contracts pursuant to the No Child Left Inside Grant Program and for administration of the program.

Analysis

This bill does not satisfy criteria for establishing a special fund.

Demonstrated Need For the Fund

There is insufficient information to demonstrate that a special fund is needed to support the program. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, a sufficient explanation of why the program cannot be successfully implemented through the general fund appropriation process was not provided.

Nexus or Linkage

Nexus or linkage exists between the program and revenues generated pursuant to administration of the program, as well as gifts, donations, and grants to the program. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.
Ocean Stewardship Special Fund  
S.B. No. 1173, S.D. 1 and H.B. No. 1019, H.D. 1  
Does Not Meet Criteria

Description and Purpose of the Proposed Fund

These bills propose to establish the Ocean Stewardship Special Fund. Revenues for the fund are from moneys collected as user fees; revenues due to the State from leases of any lands, facilities, equipment, and other property owned by the Department of Land and Natural Resources (DLNR) and used for or dedicated to the management, research, restoration, and enhancement of aquatic resources; moneys collected as fines, bail forfeitures, attorney’s fees, and administrative costs for violations of subtitle 5 of title 12, HRS (with certain exceptions); moneys collected for the purposes of compensatory mitigation from federal or state permitted impacts to the marine environment; grants, awards, donations, gifts, transfers, or moneys derived from private or public services for the purposes of subtitle 5 of title 12, HRS (with certain exceptions); and moneys derived from interest, dividend, or other income from the above sources. Moneys in the fund will be used to develop and carry out marine resource conservation, restoration, enhancement, research, regulatory measures, enforcement actions, educational activities, or any other management measure intended to conserve, restore, and enhance marine resources under the jurisdiction of the State; to develop and carry out restoration and compensatory mitigation measures for impacts to the marine environment, including impacts to the marine environment from federal or state permitted actions, or violations of subtitle 5 of title 12, HRS, or any rule adopted thereunder; and to install, maintain, and replace day use mooring buoys and other infrastructure to reduce impacts to the marine ecosystem. Additionally, these bills require 20% of all revenues derived from user fees and revenues due to the State from leases of any lands, facilities, equipment, and other property owned by DLNR, be transferred to the Office of Hawaiian Affairs (OHA) as ceded lands revenue.

Analysis

These bills do not satisfy criteria for establishing a special fund.
Demonstrated Need For the Fund

The criteria for demonstrating the need for this special fund have not been met because the activities described in the bills can be implemented under the general fund appropriation process. DLNR stated in response to our questionnaire that this special fund will provide a stable funding source during the State’s present financial circumstances. Notwithstanding, we believe our conclusion is accurate based upon the information provided by DLNR and the statutory criteria applicable to special funds.

Nexus or Linkage

Nexus or linkage exists between the activities described in the bills and user fees; revenues due to the State from leases of any lands, facilities, equipment, and other property; moneys collected as fines, bail forfeitures, attorney’s fees, and administrative costs; moneys collected for the purposes of compensatory mitigation from federal or state permitted impacts to the marine environment; grants, awards, donations, gifts, transfers, or moneys derived from private or public services; and moneys derived from interest, dividend. However, without additional information, it is unclear whether nexus or linkage exists between the revenue sources described in the bill and payment to OHA of 20% of all funds collected as user fees and revenues due to State from leases of lands, facilities, equipment, and other property.
Office of Youth Services Revolving Fund  
S.B. No. 1128, S.D. 1 and H.B. No. 974*  
Does Not Meet Criteria  
*At the time of our review, this bill failed to meet one or more legislative deadlines.

### Description and Purpose of the Proposed Fund

These bills propose to establish the Office of Youth Services Revolving Fund. Revenues for the fund are from the sale of goods and services by individual vocational programs that engage in commercial enterprise, the for-profit activity of providing goods and services, and appropriations made by the Legislature. Moneys in the revolving fund will be used for the purposes of vocational programs within the Office of Youth Services.

### Analysis

These bills do not satisfy criteria for establishing a revolving fund.

### Demonstrated Need For the Fund

There is insufficient information to demonstrate a revolving fund is needed to support the activities described in the bills. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bills cannot be successfully implemented through the general fund appropriation process was not provided.

### Nexus or Linkage

Nexus or linkage exists between the vocational programs and money collected from the sale of goods and services by individual vocational programs that engage in commercial enterprise. However, nexus or linkage does not exist between the activities described in the bills and continued support from legislative appropriations.
# School Operations Special Fund
## S.B. No. 816, S.D. 1
### Does Not Meet Criteria

| Description and Purpose of the Proposed Fund | This bill proposes to establish the School Operations Special Fund to be administered by the Department of Education and a State Lottery Commission. The purpose of the State Lottery Commission is to establish a state lottery and to allow lottery proceeds to be used to fund public school operations for the overall betterment of the State. Revenues for the fund are from a portion of revenues received from the sale of lottery tickets and other moneys credited or transferred to the state lottery account. Moneys in the fund will be used “solely for the purpose of school operations.” |
| Analysis | This bill does not satisfy criteria for establishing a special fund. |
| Demonstrated Need For the Fund | There is insufficient information to demonstrate the fund is needed to support school operations. Although revenue sources and expenses for the fund are identified, sufficiently detailed financial information was not provided. Additionally, although general information was provided explaining Hawai‘i is the only state to provide 100% of local government funding to its public education system and that there are serious limitations as to what the State can continue to provide for while competing with other State programs, the explanation provided was not sufficient to demonstrate why school operations cannot be successfully implemented through the general fund appropriation process. |
| Nexus or Linkage | Nexus or linkage does not exist between school operations and proceeds from a state lottery. |
## Shipping Container Inspection Program Special Fund
### H.B. No. 35*
### Does Not Meet Criteria

*At the time of our review, this bill failed to meet one or more legislative deadlines.

### Description and Purpose of the Proposed Fund

This bill proposes to establish the Shipping Container Inspection Program Special Fund and the Shipping Container Inspection Program to be administered by the Department of Public Safety. The purpose of the program is to randomly inspect shipping containers arriving in Honolulu for illegal fireworks and explosives smuggled into the State. Revenues for the fund are from proceeds collected by the Department of Transportation from a proposed shipping container import fee; appropriations from the Legislature; and gifts, donations, and grants from public agencies and private persons. Moneys in the fund will be used to establish and administer the Shipping Container Inspection Program, including the purchase, care, and handling of at least two explosive-sniffing dogs.

### Analysis

This bill does not satisfy criteria for establishing a special fund.

### Demonstrated Need For the Fund

There is insufficient information to demonstrate a special fund is needed to support the program. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented through the general fund appropriation process was not provided.

### Nexus or Linkage

Nexus or linkage exists between the program and the proposed shipping container import fee as well as gifts, donations, and grants from public agencies and private persons. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.
Solid Waste Management Research and Development Special Fund
H.B. No. 455*
Does Not Meet Criteria

*At the time of our review, this bill failed to meet one or more legislative deadlines.

Description and Purpose of the Proposed Fund

This bill proposes to establish the Solid Waste Management Research and Development Special Fund to be administered by the Department of Health. Revenues for the fund are from one percent of all general revenues of the State collected each fiscal year; appropriations made by the Legislature; gifts, donations, and grants from public agencies and private persons; and all interest earned or accrued on moneys deposited in the fund. This bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal years 2022 and 2023. Moneys in the fund will be used for research and development programs that will assist in the State’s management of solid waste.

Analysis

This bill does not satisfy criteria for establishing a special fund.

Demonstrated Need For the Fund

There is insufficient information to demonstrate a special fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

Nexus or Linkage

Nexus of linkage exists between research and development programs that will assist the State’s management of solid waste and revenues from gifts, donations, and grants from public agencies and private persons. However, nexus or linkage does not exist between the activities described in the bill and one percent of all general revenues of the State collected each fiscal year and continued support from legislative appropriations.
### Stadium Development Special Fund
S.B. No. 1423, S.D. 2 and H.B. No. 1348, H.D. 1

### Does Not Meet Criteria

| Description and Purpose of the Proposed Fund | These bills propose to establish the Stadium Development Special Fund. Revenues for the fund are from all revenues from the Stadium Development District, including revenue related to stadium operations, lease or rental of facilities or land, concessions, food and beverage, parking, sponsorship and advertising, utilities and infrastructure, and development; all gifts or grants awarded in any form from any public agency or from any other source for purposes of the Stadium Development District; all proceeds from revenue bonds issued by the Stadium Development Authority; and appropriations made by the Legislature. Moneys in the fund will be used for the payment of expenses arising from any and all use, operation, repair, maintenance, alteration, improvement, development, or any unforeseen or unplanned repairs of the Stadium Development District. |
| Analysis | These bills do not satisfy criteria for establishing a special fund. |
| Demonstrated Need For the Fund | Although special funds may be justifiable under certain conditions, including public enterprises that are fully supported by users, there is insufficient information to demonstrate a special fund is needed to support the activities described in the bills. Although revenue sources and expenses for the fund are identified, sufficiently detailed financial information was not provided. Additionally, an explanation of why the activities described in the bills cannot be successfully implemented through the general fund appropriation process was not provided. |
| Nexus or Linkage | Nexus or linkage exists between payment for expenses arising from any and all use, operation, repair, maintenance, alteration, improvement, development, or any unforeseen or unplanned repairs of the stadium development district and revenues from the stadium development district, as well as proceeds from revenue bonds issued by the authority and all gifts or grants awarded in any form from any public agency or from any other source. However, nexus or linkage does not exist between the activities described in the bills and continued support from legislative appropriations. |
State Drug and Alcohol Toxicology Testing Laboratory Special Fund
H.B. No. 334
Does Not Meet Criteria

Description and Purpose of the Proposed Fund

This bill proposes to establish the State Drug and Alcohol Toxicology Testing Laboratory Special Fund and a State Drug and Alcohol Toxicology Testing Laboratory to be administered by the Department of Health. Revenues for the fund are from fines collected from repeat offenders, habitual offenders, and offenders who operate a vehicle after their license and privilege have been suspended or revoked for operating a vehicle under the influence of an intoxicant; moneys appropriated by the Legislature; other grants and gifts made to the fund; and any income and interest earned on the balance of the fund. Moneys in the fund will be used to support a State Drug and Alcohol Toxicology Testing Laboratory.

Analysis

This bill does not satisfy criteria for establishing a special fund.

Demonstrated Need For the Fund

There is insufficient information to demonstrate a special fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the activities in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

Nexus or Linkage

Nexus or linkage exists between support for a State Drug and Alcohol Toxicology Testing Laboratory and fines collected from certain offenders for operating a vehicle under the influence of an intoxicant, as well as grants and gifts made to the fund. However, nexus or linkage does not exist between the activities described in the bill and continued support from legislative appropriations.
State Gaming Fund  
H.B. No. 359* and H.B. No. 772*  
Does Not Meet Criteria  
*At the time of our review, these bills failed to meet one or more legislative deadlines.

Description and Purpose of the Proposed Fund  
These bills propose to establish the State Gaming Fund and the Hawai‘i Gaming Commission to supervise all casino gaming operations in Hawai‘i. Revenues for the fund are from all fees, taxes, and fines collected by the Commission. H.B. No. 772 would permit the fund to collect two percent of all general excise tax revenues realized by the State under a proposed tax on casino gaming. Moneys in the fund will be used to fund a compulsive gamblers program, public security at the integrated resort property/casino facility, and the administrative expenses of the Commission. H.B. No. 359 would permit the fund to provide funding for training by local educational institutions for native Hawaiians seeking jobs available at the integrated resort property.

Analysis  
These bills do not satisfy criteria for establishing a special fund.

Demonstrated Need For the Fund  
There is insufficient information to demonstrate a special fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified, sufficiently detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

Nexus or Linkage  
Nexus or linkage exists between expenditures for the administrative expenses of the Commission and revenues from fees, taxes, and fines collected by the Commission. However, without more detailed information, it is unclear whether nexus or linkage exists between funding compulsive gambling programs, public security, and job training and the revenue sources described in the bills, including a portion of the proposed tax on casino gaming.
State Lottery Prize Revolving Fund  
S.B. No. 853*  
Does Not Meet Criteria  
*At the time of our review, this bill failed to meet one or more legislative deadlines.

| Description and Purpose of the Proposed Fund | This bill proposes to establish the State Lottery Prize Revolving Fund and the Hawai‘i State Lottery Division to be administered by the Department of Budget and Finance. The purpose of the Hawai‘i State Lottery Division is to operate a lottery that shall be limited to the Powerball and Mega Millions multistate lottery games. Revenues for the fund are from a portion of the gross proceeds of the sale of lottery tickets sales set aside for prizes as necessary for participation in Mega Millions and Powerball lottery games. Moneys in the fund will be used for the payment of prizes to the holders of winning lottery tickets. |
| Analysis | This bill does not satisfy criteria for establishing a revolving fund. |
| Demonstrated Need For the Fund | There is insufficient information to demonstrate a revolving fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the Hawai‘i State Lottery Division cannot be successfully implemented through the general fund appropriation process was not provided. |
| Nexus or Linkage | Nexus or linkage exists between the activities described in the bill and a portion of the gross proceeds of the sale of lottery tickets sales set aside for prizes as necessary for participation in Mega Millions and Powerball lottery games. |
State Lottery Revolving Fund  
S.B. No. 853*  
Does Not Meet Criteria  

*At the time of our review, this bill failed to meet one or more legislative deadlines.

**Description and Purpose of the Proposed Fund**

This bill proposes to establish the State Lottery Revolving Fund and the Hawai‘i State Lottery Division to be administered by the Department of Budget and Finance. The purpose of the Hawai‘i State Lottery Division is to operate a lottery that shall be limited to the Powerball and Mega Millions multistate lottery games. Revenues for the fund are from the sale of lottery tickets or shares from all other sources, unless otherwise specified. This bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal years 2022 and 2023. Moneys in the fund will be used for the payment of costs incurred in the operation and administration of the lottery, including the expenses of the division and the costs resulting from any contract or contracts entered into for consulting or operational services; independent audits, which shall be performed annually; payment of compensation to licensed lottery sales agents; payment of reasonable fees to authorized lottery redemption agents; and the purchase or lease of lottery equipment, lottery tickets, and materials.

**Analysis**

This bill does not satisfy criteria for establishing a revolving fund.

**Demonstrated Need For the Fund**

There is insufficient information to demonstrate a revolving fund is needed to support the Hawai‘i State Lottery Division. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the Hawai‘i State Lottery Division cannot be successfully implemented through the general fund appropriation process was not provided.

**Nexus or Linkage**

Nexus or linkage exists between the activities described in the bill and revenues from the sale of lottery tickets. However, without additional information, it is unclear whether nexus or linkage exists between the activities described in the bill and all other moneys credited or transferred from any other fund or source.
State Mortgage Insurance Special Fund
S.B. No. 27*
Does Not Meet Criteria

*At the time of our review, this bill failed to meet one or more legislative deadlines.

Description and Purpose of the Proposed Fund

This bill proposes to establish the State Mortgage Insurance Special Fund and the State Mortgage Insurance Program to be administered by the Hawai‘i Housing Finance and Development Corporation (HHFDC). The purpose of the program is to guarantee up to fifteen percent of the principal balance of real property mortgage loans for the purchase of qualified single-family or multifamily dwelling units, plus the interest due thereon, made to qualified borrowers. Revenues for the fund are from a proposed insurance fee to be established by HHFDC and collected from private lenders to whom HHFDC has issued a loan guarantee. Moneys in the fund will be used by HHFDC to guarantee payment of loans and to “carry on the operations” of HHFDC in administering the program.

Analysis

This bill does not satisfy criteria for establishing a special fund.

Demonstrated Need For the Fund

There is insufficient information to demonstrate a special fund is needed to support the program. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented through the general fund appropriation process was not provided.

Nexus or Linkage

Without more detailed information, it is unclear whether nexus or linkage exists between the program and the proposed insurance fee collected from private lenders.
**State Procurement Automation System Special Fund**  
**S.B. No. 1035, S.D. 1 and H.B. No. 881***  
**Does Not Meet Criteria**

*At the time of our review, this bill failed to meet one or more legislative deadlines.

| Description and Purpose of the Proposed Fund | These bills propose to establish the State Procurement Automation System Special Fund and authorize the State Procurement Office (SPO) to develop and administer a procurement automation system to achieve the state procurement mission for digital transformation and streamlining. According to SPO, the automation system will provide a “consistent face” across the State’s Executive Branch agencies, ease contractor confusion, and improve efficiency. Revenues for the fund are from proposed administrative fees collected from vendors. Moneys in the fund will be used to fund project management of the procurement automation system. |
| Analysis | These bills do not satisfy criteria for establishing a special fund. |
| Demonstrated Need For the Fund | The criteria for demonstrating the need for this special fund have not been met because a sufficient explanation of why the development and administration of the procurement automation system cannot be successfully implemented through the general fund appropriation process was not provided. |
| Nexus or Linkage | Nexus or linkage exists between the development of a procurement automation system and administrative fees collected from vendors. |
Sustainable Hawai‘i Workforce Program Special Fund
S.B. No. 1312*
Does Not Meet Criteria

*At the time of our review, this bill failed to meet one or more legislative deadlines.

Description and Purpose of the Proposed Fund

This bill proposes to establish the Sustainable Hawai‘i Workforce Program Special Fund and the Sustainable Hawai‘i Workforce Program to be administered by the Department of Land and Natural Resources. The purpose of the program is to provide temporary job placement for Hawai‘i residents in need of employment. Revenues for the fund are from appropriations by the Legislature to the fund and proceeds from a proposed “sustainable tourism tax” of 1.5 percent on the gross rental proceeds derived from furnishing transient accommodations. Moneys in the fund will be used to fund activities related to the administration of the Sustainable Hawai‘i Workforce Program, including creating temporary job placement for Hawai‘i residents at state agencies and eligible nonprofits that support natural resource protection and management.

Analysis

This bill does not satisfy criteria for establishing a special fund.

Demonstrated Need For the Fund

There is insufficient information to demonstrate a special fund is needed to support the program. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented through the general fund appropriation process was not provided.

Nexus or Linkage

Nexus or linkage does not exist between the program and continued support from legislative appropriations. Additionally, without additional information, it is unclear whether nexus or linkage exists between the program and a proposed “sustainable tourism tax” as described in the bill.
Teacher Salary Special Fund  
S.B. No. 848*  
Does Not Meet Criteria  
*At the time of our review, this bill failed to meet one or more legislative deadlines.

**Description and Purpose of the Proposed Fund**

This bill proposes to establish the Teacher Salary Special Fund to be administered by the Department of Education. Revenues for the fund are from unspecified percentages of general excise taxes collected on new commercial real estate projects, a portion of conveyance tax revenues, and moneys from any other private or public source. Moneys in the fund will be used for teacher salaries and compensation.

**Analysis**

This bill does not satisfy criteria for establishing a special fund.

**Demonstrated Need For the Fund**

There is insufficient information to demonstrate a special fund is needed to support teacher salaries and compensation. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why teacher salaries and compensation cannot be successfully implemented through the general fund appropriation process was not provided.

**Nexus or Linkage**

Nexus or linkage does not exist between funding teacher salaries and compensation and general excise taxes on new commercial real estate projects or conveyance taxes. Without additional information, it is unclear whether nexus or linkage exists between teacher salaries and compensation and moneys from unspecified public and private sources.
University Facilities and Operations Special Fund
S.B. No. 816, S.D. 1
Does Not Meet Criteria

Description and Purpose of the Proposed Fund

This bill proposes to establish the University Facilities and Operations Special Fund to be administered by the University of Hawai‘i and a State Lottery Commission. The purpose of the State Lottery Commission is to establish a state lottery, administer the state lottery account, and to allow lottery proceeds to be used to fund university facilities and operations for the overall betterment of the State. Revenues for the fund are deposits from the state lottery account. Moneys in the fund will be used solely for the design, construction, maintenance, or repair of university facilities and for university operations.

Analysis

This bill does not satisfy criteria for establishing a special fund.

Demonstrated Need For the Fund

There is insufficient information to demonstrate a special fund is needed to support the design, construction, maintenance, or repair of university facilities. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the design, construction, maintenance, or repair of university facilities cannot be successfully implemented through the general fund appropriation process was not provided.

Nexus or Linkage

Nexus or linkage does not exist between design, construction, maintenance, or repair of university facilities and proceeds from a state lottery.
Waiākea Peninsula Redevelopment District Revolving Fund  
S.B. No. 1000* and H.B. No. 467, H.D. 1  
Does Not Meet Criteria  
*At the time of our review, this bill failed to meet one or more legislative deadlines.

**Description and Purpose of the Proposed Fund**

These bills propose to establish the Waiākea Peninsula Redevelopment District Revolving Fund and the Waiākea Peninsula Redevelopment District Planning Committee to be administered by the Department of Land and Natural Resources (DLNR). The purpose of the Committee is to be a policy-making committee for the Waiākea Peninsula Redevelopment District. Revenues for the fund are from fifty percent of DLNR’s revenues, income, and receipts from the public lands in the designated district; moneys appropriated by the Legislature to the revolving fund; and any gifts, grants, and other funds accepted by the Committee. S.B. No. 1000 also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal years 2022 and 2023. Moneys in the fund will be used in the Waiākea Peninsula Redevelopment District for the purposes of the Committee.

**Analysis**

These bills do not satisfy criteria for establishing a revolving fund.

**Demonstrated Need For the Fund**

There is insufficient information to demonstrate a revolving fund is needed to support the activities described in the bills. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the activities in the bills cannot be successfully implemented through the general fund appropriation process was not provided.

**Nexus or Linkage**

Nexus or linkage exists between the activities described in the bills and revenues, income, and receipts from the public lands in the designated district, as well as any gifts and grants. However, nexus or linkage does not exist between the activities described in the bills and continued support from legislative appropriations. It is also unclear whether nexus or linkage exists between the activities described in the bills and “other funds accepted by the Committee.”
Waste and Litter Management Special Fund
H.B. No. 1316*
Does Not Meet Criteria

*At the time of our review, this bill failed to meet one or more legislative deadlines.

Description and Purpose of the Proposed Fund

H.B. No. 1316 proposes to establish the Waste and Litter Management Special Fund to be administered by the Department of Health. Revenues for the fund are all funds received by the Department of Health from producers of plastic waste and producer responsibility organizations. Moneys in the fund will be used for implementing, administering, and enforcing waste and litter management programs. The following is a review of the fund as proposed in H.B. No. 1316; however, we note that subsequent amendments to H.B. No. 1316 deleted and replaced its content with language that no longer establishes this fund.

Analysis

This bill does not satisfy criteria for establishing a special fund.

Demonstrated Need For the Fund

There is insufficient information to demonstrate a special fund is needed to support the implementation, administration, and enforcement of waste and litter management programs. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the implementation, administration, and enforcement of waste and litter management programs cannot be successfully implemented through the general fund appropriation process was not provided.

Nexus or Linkage

Nexus or linkage exists between the implementation, administration, and enforcement of waste and litter management programs and funds received from producers of plastic waste and producer responsibility organizations.