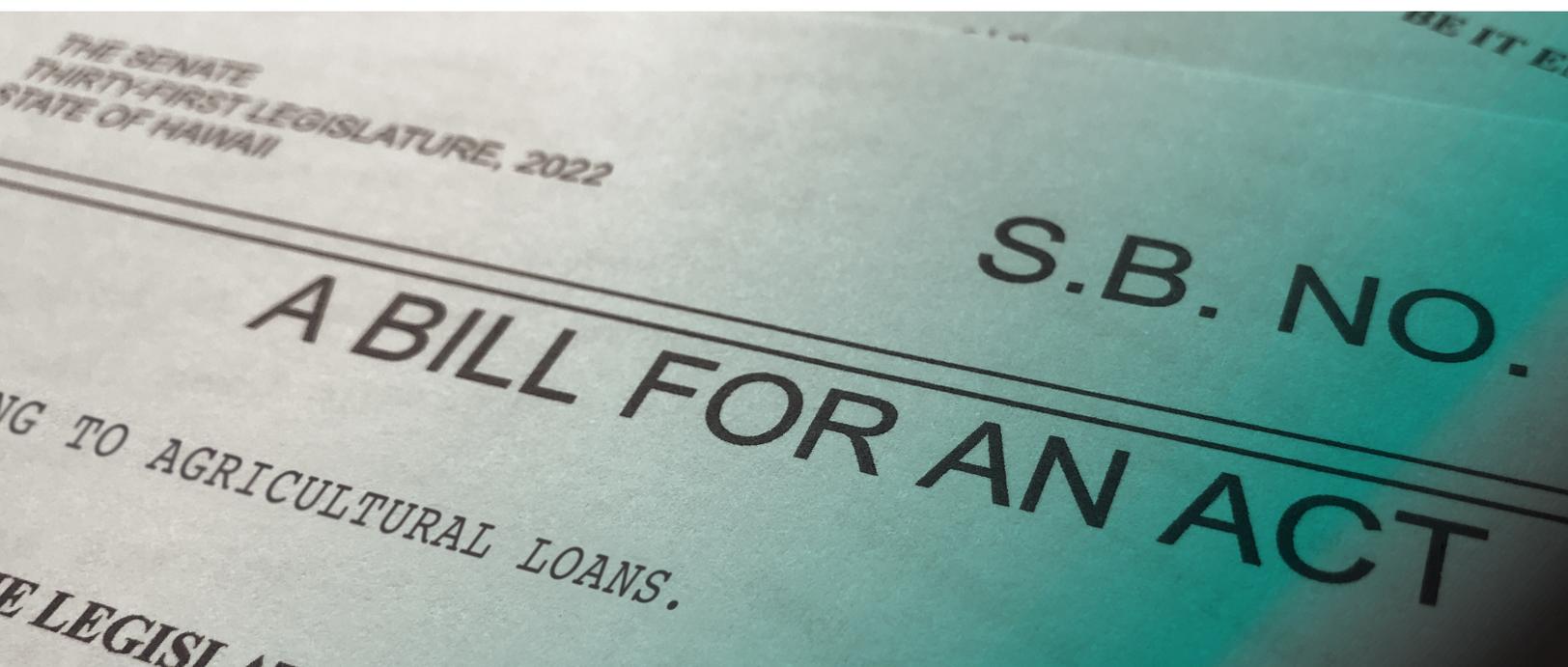


# Analyses of Proposed Special and Revolving Funds 2022

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. 22-03**  
March 2022



**OFFICE OF THE AUDITOR**  
STATE OF HAWAII



## OFFICE OF THE AUDITOR STATE OF HAWAII

### 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:*  
<https://auditor.hawaii.gov>

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## Foreword

This report compiles our analyses of new special and revolving funds proposed by 2022 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 2022.

Leslie H. Kondo  
State Auditor



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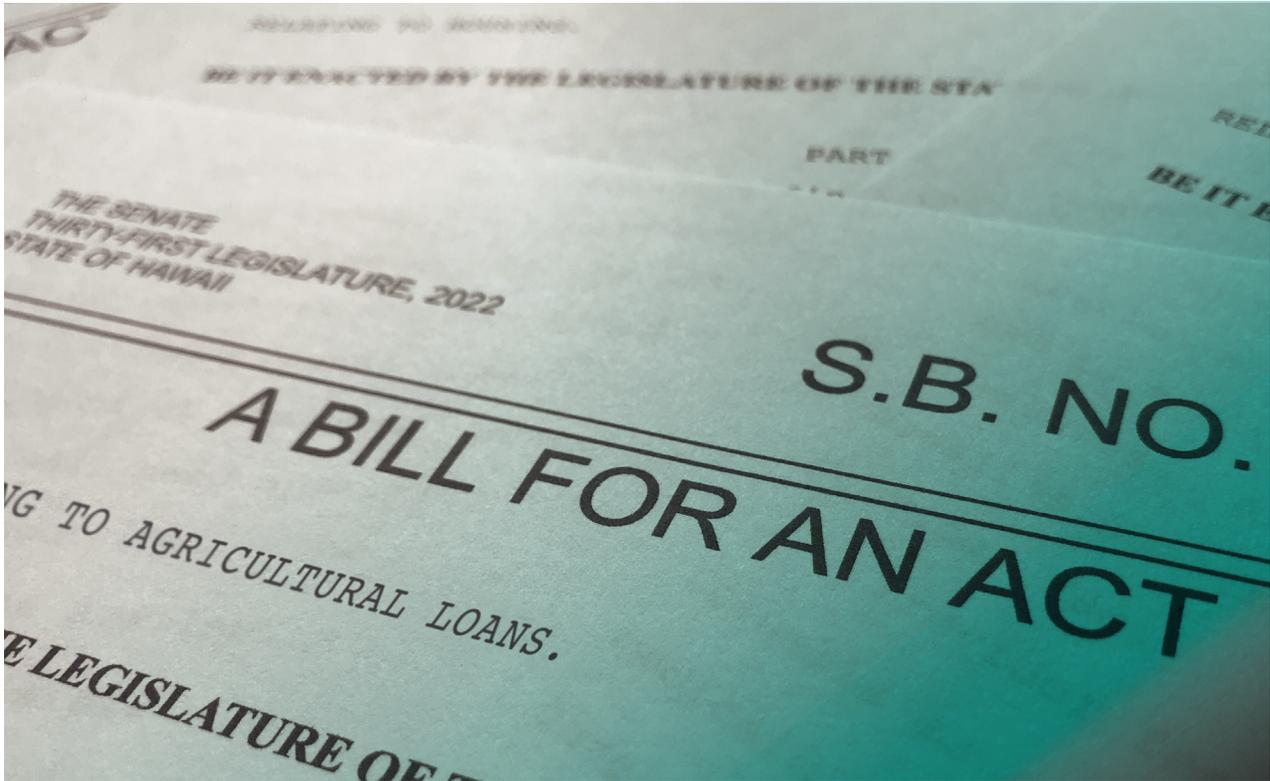
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## Analyses of Proposed Special and Revolving Funds 2022

**SECTION 23-11, HAWAII 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 104 Senate and House bills proposing 63 special and revolving funds during the 2022 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 104 Senate and House bills introduced during the 2022 legislative session proposing 63 special and revolving funds. None satisfied the criteria set forth in section 23-11, HRS, for proposed special and revolving funds. References to Senate Draft and House Draft versions reflect bill status at the time of our review.

Exhibit 1 summarizes the results of our analyses.

**Exhibit 1**  
**Analyses of Proposed Special and Revolving Funds 2022**

| Bill   | Fund Name   | Only Funding Source | Nexus             | Meets Criteria |
|--------|---|---------------------|-------------------|----------------|
|        |   | HRS § 23-11(b)(1)   | HRS § 23-11(b)(2) |                |
| SB2019 | 9-8-8 Special Fund  | N                   | P                 | N              |
| SB3030 | Agricultural Emergency Loan Revolving Fund                    | N                   | P                 | N              |
| HB2062 | Agricultural Emergency Loan Revolving Fund                    | N                   | P                 | N              |
| SB2969 | Agricultural Emergency Special Fund                           | N                   | P                 | N              |
| SB2992 | Agricultural Investment Special Fund                          | N                   | P                 | N              |
| HB2306 | Air Freight Pest Inspection, Quarantine, and Eradication Fund | N                   | P                 | N              |
| SB3261 | ALOHA Homes Revolving Fund                                    | N                   | U                 | N              |
| SB2465 | ALOHA Homes Revolving Fund                                    | N                   | U                 | N              |
| SB2254 | ALOHA Homes Revolving Fund                                    | N                   | U                 | N              |
| SB3205 | Alternative Energy Research and Development Revolving Fund    | N                   | P                 | N              |
| HB2054 | Alternative Energy Research and Development Revolving Fund    | N                   | P                 | N              |
| SB2802 | Cesspool Conversion Fund                                      | N                   | Y                 | N              |
| SB2102 | Climate Change Mitigation Special Fund                        | N                   | P                 | N              |
| SB2054 | Climate Change Mitigation Special Fund                        | N                   | P                 | N              |
| HB1451 | Climate Change Mitigation Special Fund                        | N                   | P                 | N              |
| HB1443 | Climate Change Mitigation Special Fund                        | N                   | P                 | N              |
| SB2098 | Conservation Workforce Special Fund                           | N                   | P                 | N              |
| HB1439 | Conservation Workforce Special Fund                           | N                   | P                 | N              |
| SB2797 | Consumer Privacy Special Fund                                 | N                   | P                 | N              |
| SB2428 | Consumer Privacy Special Fund                                 | N                   | P                 | N              |
| HB2341 | Consumer Privacy Special Fund                                 | N                   | P                 | N              |
| SB2081 | Department of Education Commercial Enterprises Revolving Fund | N                   | Y                 | N              |
| HB1409 | Department of Education Commercial Enterprises Revolving Fund | N                   | Y                 | N              |
| SB3009 | Electric Engine Loan Program Revolving Fund                   | N                   | P                 | N              |
| HB1901 | Electric Engine Loan Program Revolving Fund                   | N                   | P                 | N              |
| SB3227 | Electronic Citation Special Fund                              | N                   | P                 | N              |
| HB2365 | Electronic Citation Special Fund                              | N                   | P                 | N              |
| SB3302 | Environmental and Economic Development Revolving Loan Fund    | N                   | P                 | N              |

Y = Yes   N = No   P = Partial   U = Unclear

Analyses of Proposed Special and Revolving Funds 2022

| Bill   | Fund Name   | Only Funding Source | Nexus             | Meets Criteria |
|--------|---|---------------------|-------------------|----------------|
|        |   | HRS § 23-11(b)(1)   | HRS § 23-11(b)(2) |                |
| SB3056 | Environmental and Economic Development Revolving Loan Fund  | N                   | P                 | N              |
| HB2088 | Environmental and Economic Development Revolving Loan Fund  | N                   | P                 | N              |
| SB3246 | Extended Producer Responsibility Special Fund               | N                   | P                 | N              |
| HB2399 | Extended Producer Responsibility Special Fund               | N                   | P                 | N              |
| SB2312 | Family Leave Insurance Fund                                 | N                   | Y                 | N              |
| HB1506 | Family Leave Insurance Fund                                 | N                   | Y                 | N              |
| SB2647 | Fetal Alcohol Spectrum Disorders Special Fund               | N                   | Y                 | N              |
| HB1814 | Fetal Alcohol Spectrum Disorders Special Fund               | N                   | Y                 | N              |
| HB1512 | Green Tourism Special Fund                                  | N                   | P                 | N              |
| HB2284 | Hawai'i Charter School Teacher Stipend Program Special Fund | N                   | P                 | N              |
| SB3012 | Hawai'i Environmental Legacy Special Fund                   | N                   | P                 | N              |
| HB1802 | Hawai'i Environmental Legacy Special Fund                   | N                   | P                 | N              |
| SB2956 | Hawai'i Food Assistance Program Special Fund                | N                   | P                 | N              |
| HB1566 | Hawai'i Food Assistance Program Special Fund                | N                   | P                 | N              |
| SB2655 | Hawai'i Medical Education Special Fund                      | N                   | P                 | N              |
| HB1550 | Hawai'i Medical Education Special Fund                      | N                   | P                 | N              |
| HB2048 | Hawai'i Property Assessed Clean Energy Revolving Fund       | N                   | P                 | N              |
| SB3289 | Hawai'i Retirement Savings Special Fund                     | N                   | P                 | N              |
| HB2046 | Hawai'i Retirement Savings Special Fund                     | N                   | P                 | N              |
| HB2284 | Hawai'i Teacher Stipend Program Special Fund                | N                   | P                 | N              |
| SB3359 | Hawaiian Home Lands Special Fund                            | N                   | P                 | N              |
| HB2511 | Hawaiian Home Lands Special Fund                            | N                   | P                 | N              |
| SB2211 | Healthy 'Ohana Special Fund                                 | N                   | Y                 | N              |
| SB2989 | Healthy Soils Grant Program Special Fund                    | N                   | N                 | N              |
| HB1804 | Healthy Soils Grant Program Special Fund                    | N                   | N                 | N              |
| SB2370 | Homelessness and Housing Solutions Special Fund             | N                   | P                 | N              |
| HB1648 | Homelessness and Housing Solutions Special Fund             | N                   | P                 | N              |
| SB2508 | Homes for Families Special Fund                             | N                   | N                 | N              |
| HB2412 | Kuleana Special Fund  | N                   | P                 | N              |
| SB2504 | Landlord Incentive Program Special Fund                     | N                   | P                 | N              |

Y = Yes   N = No   P = Partial   U = Unclear

| Bill   | Fund Name   | Only Funding Source | Nexus             | Meets Criteria |
|--------|---|---------------------|-------------------|----------------|
|        |   | HRS § 23-11(b)(1)   | HRS § 23-11(b)(2) |                |
| SB2365 | Lottery and Gaming Special Fund                                       | N                   | N                 | N              |
| HB2040 | Lottery and Gaming Special Fund                                       | N                   | N                 | N              |
| HB2024 | Mauna Kea Management Special Fund                                     | N                   | N                 | N              |
| SB3016 | Public Wireless Safety Fund   | N                   | Y                 | N              |
| HB2244 | Public Wireless Safety Fund   | N                   | Y                 | N              |
| SB3224 | Pulehunui Community Development District Special Fund                 | N                   | P                 | N              |
| SB2398 | Pulehunui Community Development District Special Fund                 | N                   | P                 | N              |
| HB1827 | Pulehunui Community Development District Special Fund                 | N                   | P                 | N              |
| HB1861 | Rent Stabilization Special Fund                                       | N                   | Y                 | N              |
| HB1588 | Resilient Hawai'i Revolving Loan Fund                                 | N                   | P                 | N              |
| SB2950 | S.B. No. 2950 Special Fund  | N                   | N                 | N              |
| HB1572 | Search and Rescue Special Fund  | N                   | N                 | N              |
| SB2811 | Short-Term Rental Assistance Special Fund                             | N                   | N                 | N              |
| HB1858 | Short-Term Rental Assistance Special Fund                             | N                   | N                 | N              |
| SB2603 | Smart Highway Corridor Special Fund                                   | N                   | P                 | N              |
| SB2837 | Spay and Neuter Special Fund  | N                   | P                 | N              |
| HB1610 | Spay and Neuter Special Fund  | N                   | P                 | N              |
| HB1815 | Sports Wagering Special Fund  | N                   | Y                 | N              |
| SB2805 | Start-Up Business Loan Program Revolving Fund                         | N                   | P                 | N              |
| HB2439 | Start-Up Business Loan Program Special Fund                           | N                   | P                 | N              |
| HB1820 | State Gaming Fund   | N                   | P                 | N              |
| SB2310 | State Lottery Prize Revolving Fund                                    | N                   | Y                 | N              |
| HB2485 | State Lottery Prize Revolving Fund                                    | N                   | Y                 | N              |
| SB2310 | State Lottery Revolving Fund  | N                   | P                 | N              |
| HB2485 | State Lottery Revolving Fund  | N                   | P                 | N              |
| SB2249 | State Mortgage Insurance Special Fund                                 | N                   | U                 | N              |
| SB3040 | State Procurement Automation System Special Fund                      | N                   | P                 | N              |
| HB2072 | State Procurement Automation System Special Fund                      | N                   | P                 | N              |
| HB1830 | State Self-Insurance Against Property and Casualty Risks Special Fund | N                   | P                 | N              |
| SB2245 | Statewide Homelessness Solutions Program Special Fund                 | N                   | N                 | N              |

Y = Yes   N = No   P = Partial   U = Unclear

| Bill   | Fund Name  | Only Funding Source | Nexus             | Meets Criteria |
|--------|--|---------------------|-------------------|----------------|
|        |  | HRS § 23-11(b)(1)   | HRS § 23-11(b)(2) |                |
| SB2866 | Sustainable Aviation Fuel Program Special Fund                       | N                   | N                 | N              |
| SB2203 | Sustainable State Electronics Special Fund                           | N                   | P                 | N              |
| SB2447 | Third-Party Review Recovery Fund                                     | N                   | Y                 | N              |
| HB2453 | Third-Party Review Recovery Fund                                     | N                   | Y                 | N              |
| SB2224 | Transition Aged Youth Housing Special Fund                           | N                   | N                 | N              |
| SB2898 | Transit-Oriented Development Infrastructure Improvement Special Fund | N                   | P                 | N              |
| HB2469 | Unemployment Compensation Insolvency Special Fund                    | N                   | N                 | N              |
| SB2547 | Vacant Homes Special Fund  | N                   | P                 | N              |
| SB3192 | Visitor Green Fee Special Fund                                       | N                   | P                 | N              |
| HB2245 | Visitor Green Fee Special Fund                                       | N                   | P                 | N              |
| SB2833 | Waiākea Peninsula Redevelopment District Revolving Fund              | N                   | P                 | N              |
| HB1788 | Waiākea Peninsula Redevelopment District Revolving Fund              | N                   | P                 | N              |

Y = Yes   N = No   P = Partial   U = Unclear

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# 9-8-8 Special Fund

## S.B. No. 2019

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the 9-8-8 Special Fund to be administered by the Department of Health. Revenues for the fund are from fees derived from the statewide 9-8-8 assessment on subscribers of commercial landline telephone, mobile telephone, or internet protocol-enabled voice services; appropriations made by the Legislature; grants and gifts intended for deposit in the fund, interest, premiums, gains, or other earnings on the fund; and moneys from any other source that is deposited in or transferred to the fund. Moneys in the fund will be used to offset costs attributed to ensuring the maintenance of the 9-8-8 Suicide Prevention and Behavioral Health Crisis Hotline, including staffing and technological infrastructure enhancements; personnel, training, and outreach and stabilization services; provision of data, reporting, participation in evaluations, and related quality improvement activities; and administration of the 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 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 fees derived from the statewide 9-8-8 assessment on telephone and voice services subscribers; grants and gifts to the fund; and interest, premiums, gains, or other earnings on 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 also unclear whether nexus or linkage exists between the activities described in the bill and “moneys from any other source that is deposited in or transferred to the fund.”

# Agricultural Emergency Loan Revolving Fund S.B. No. 3030 and H.B. No. 2062, H.D. 1 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

These bills propose to establish the Agricultural Emergency Loan Revolving Fund to be administered by the Department of Agriculture. Revenues for the fund are from payments received on account of principal from loans made by the fund and appropriations made by the Legislature. These bills also propose that an unspecified amount of general funds be appropriated into the fund for fiscal year 2023. Moneys in the fund will be used to fund “Class D” emergency loans made pursuant to section 155-9(e), HRS.

## 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 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 payments received on account of principal from loans made by the fund. However, nexus or linkage does not exist between the activities and continued support from legislative appropriations.

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# Agricultural Emergency Special Fund

## S.B. No. 2969, S.D. 1

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Agricultural Emergency Special Fund and the Agricultural Emergency Loan Program to be administered by the Department of Agriculture. The purpose of the program is to provide loans to farmers and ranchers for disaster recovery. Revenues for the fund are from agricultural emergency charges received for the use and services of the loan program, including the repayment of loans made under the program; all other funds received by the department and legally available for the purposes of the agricultural emergency special fund; interest earnings on all amounts in the agricultural emergency special fund; appropriations by the Legislature; and any other monies permitted by the Board of Agriculture. This bill also proposes that \$2,500,000 of general funds be appropriated into the fund for fiscal year 2023. Moneys in the fund will be used to make agriculture emergency loans and cover the administrative and other costs of the loan 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

Nexus or linkage exists between the program and agricultural emergency charges received for the use and services of the loan program, including the repayment of loans made 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 any other monies permitted by the Board of Agriculture.

# Agricultural Investment Special Fund

## S.B. No. 2992

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Agricultural Investment Special Fund to be administered by the Department of Agriculture. Revenues for the fund are from appropriations from the Legislature; any grant or donation made to the special fund; and interest earned on the balance of the special fund. This bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2023. Moneys in the fund will be used for the awarding of grants to farmers for agricultural production or processing activity; acquisition of real property for agricultural production or processing activity; improvement of real property, irrigation systems, and transportation networks necessary to promote agricultural production or processing activity; purchase of equipment for agricultural production or processing activity; research on and testing of agricultural products and markets; funding agricultural inspector positions within the department; promotion and marketing of agricultural products grown or raised in the state; and any other activity intended to increase agricultural production or processing that may lead to reduced importation of food, fodder, or feed from outside the state.

#### 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 cannot be successfully implemented through the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the activities and grants and donations made to the special fund, as well as interest earned on the balance of the fund. However, nexus or linkage does not exist between the activities and continued support from legislative appropriations.

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# Air Freight Pest Inspection, Quarantine, and Eradication Fund

## H.B. No. 2306

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Air Freight Pest Inspection, Quarantine, and Eradication Fund and the Air Freight Inspection, Quarantine, and Eradication Program to be administered by the Department of Agriculture. The purpose of the program is to prevent the introduction of invasive species into the state through inspections of imported air freight. Revenues for the fund are from legislative appropriations; proposed service fees, charges, and penalties; grants, gifts, and interest earned or accrued on moneys in the fund; and any other moneys made available to the fund. This bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2023. Moneys in the fund will be used for the operation of inspection, quarantine, eradication, and monitoring programs at the airports; an electronic importer manifest program; training of inspectors; educational outreach for the industry, permit holders, and the public; and for any other purposes deemed necessary to carry out the purposes of Chapter 105A, HRS.

#### 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 fees, charges, and penalties collected from transportation companies, as well as grants, gifts, and interest earned or accrued on moneys deposited in the fund. 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 “any other moneys made available to the fund.”

# ALOHA Homes Revolving Fund S.B. No. 2254; S.B. No. 2465; and S.B. 3261 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

These bills propose to establish the ALOHA Homes Revolving Fund and the ALOHA Homes Program. S.B. No. 2254 and S.B. No. 3261 would authorize the Hawai'i Housing Finance and Development Corporation to administer the program and S.B. No. 2465 would authorize the Hawai'i Public Housing Authority to administer the program. The purpose of the program is to provide low-cost, high density leasehold homes for sale to Hawai'i residents on state-owned lands. Revenues for the fund are from "all receipts and revenues" of the respective administering agency. These bills also propose that an unspecified amount of general funds be appropriated into the fund for fiscal year 2023. Moneys in the fund will be used "for the purposes of the [ALOHA Homes Program]."

## 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. 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 fund's permitted expenses ("for the purposes of this subpart") and the revenues described in the bills.

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# Alternative Energy Research and Development Revolving Fund S.B. No. 3205 and H.B. No. 2054, H.D. 1 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

These bills propose to establish the Alternative Energy Research and Development Revolving Fund and re-establish the Hawai'i Office of Naval Research Grant Program to be administered by the Hawai'i Technology Development Corporation. The purpose of the program is to promote the research and development of alternative energy in Hawai'i by authorizing the Corporation to provide matching grants to Hawai'i awardees of alternative energy research grants from the United States Office of Naval Research. These bills also propose that \$1,000,000 of general funds be appropriated into the fund for fiscal year 2023. Moneys in the fund will be used for providing grants. We note that subsequent amendments to H.B. No. 2054 deleted and replaced its content with language that no longer establishes this fund.

## 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. 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 matching grants from the United States Office of Naval Research. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.

# Cesspool Conversion Fund

## S.B. No. 2802

### Does Not Meet Criteria

---

#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Cesspool Conversion Fund to be administered by the various counties. Revenues for the fund are from cesspool conversion fees charged on commercial and residential property owners with cesspools. Moneys in the fund will be used to fund conversions from cesspools to advanced septic systems, aerobic treatment unit systems, or “innovation systems,” as well as to assist the counties with general mitigation of cesspool pollution efforts.

#### 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 cannot be successfully implemented through the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the conversion of cesspools to advanced septic systems, aerobic treatment unit systems, or “innovation systems,” and conversion fees charged on property owners with cesspools.

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# Climate Change Mitigation Special Fund

## S.B. No. 2054; S.B. No. 2102; H.B. No. 1443, H.D. 1; and H.B. No. 1451

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose 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

**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 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 bills and continued support from legislative appropriations.

# Conservation Workforce Special Fund

## S.B. No. 2098 and H.B. No. 1439

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the Conservation Workforce Special Fund to be administered by the Department of Land and Natural Resources. Revenues for the fund are from a proposed “green fee surcharge” of \$20 per night on the lodging accommodations facility of each individual in temporary residence at that facility; appropriations made by the Legislature; and grants and gifts 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 resources management targets and the International Union for Conservation of Nature’s “30 by 30” goals, as well as to support the maintenance or restoration of beaches, parks, and trails.

#### 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 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 the green fee surcharges, and grants and gifts to the fund. However, nexus or linkage does not exist between these activities and continued support from legislative appropriations.

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# Consumer Privacy Special Fund

## S.B. No. 2428, S.B. No. 2797, and H.B. No. 2341

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the Consumer Privacy Special Fund to be administered by the Department of the Attorney General. Revenues for the fund are from civil penalties, expenses, and attorney fees collected pursuant to civil enforcement actions concerning violations of the proposed Consumer Data Protection Act; interest earned on the money in the fund; and appropriations made by the Legislature. These bills also propose that an unspecified amount of general funds be appropriated into the fund for fiscal year 2023. Moneys in the fund will be used by the department to administer the Act.

#### 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 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 the civil penalties, expenses, and attorney fees collected pursuant to civil enforcement actions concerning violations of the Consumer Data Protection Act. However, nexus or linkage does not exist between the activities and continued support from legislative appropriations.

# Department of Education Commercial Enterprises Revolving Fund S.B. No. 2081, S.D. 1 and H.B. No. 1409 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

These bills propose to establish the Department of Education Commercial Enterprises Revolving Fund to be administered by the Department of Education. Revenues for the fund are from all revenues derived from commercial enterprise operation programs undertaken by the department. These bills also propose that an unspecified amount of general funds be appropriated into the fund for fiscal year 2023. Moneys in the fund will be used for all costs and expenses associated with the operation of the commercial enterprises, including hiring personnel, renovating commercial space, and purchasing merchandise, supplies and equipment.

## 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 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 derived from commercial enterprise operation programs undertaken by the department.

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# Electric Engine Loan Program Revolving Fund

## S.B. No. 3009 and H.B. No. 1901

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the Electric Engine Loan Program Revolving Fund and the Electric Engine Loan Program to be administered by the Department of Health. The purpose of the program is to facilitate the transition from two-stroke engines to electric engines. Revenues for the fund are from moneys appropriated by the Legislature, repayments of loans made, interest or fees, and all other moneys received from any other source. These bills also propose that an unspecified amount of general funds be appropriated into the fund for fiscal year 2023. Moneys in the fund will be used to make loans through the Electric Engine Loan Program.

#### 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. 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 Electric Engine Loan Program and the repayment of loans made. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.

# Electronic Citation Special Fund S.B. No. 3227, S.D. 1 and H.B. No. 2365 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

These bills propose to establish the Electronic Citation Special Fund and the Electronic Citation Program to be administered by the Hawai'i State Judiciary. Revenues for the fund are from electronic citation surcharges collected pursuant to traffic violations, infractions, and crimes; appropriations by the Legislature; and all moneys received from public or private sources for the purposes of the fund. These bills also propose that an unspecified amount of general funds be appropriated into the fund for fiscal year 2023. Moneys in the fund will be used to defray expenses related to the establishment, implementation, operation, oversight, repair, and maintenance of the electronic citation program. We note that subsequent amendments to S.B. No. 3227 deleted and replaced its content with language that no longer establishes this fund.

## 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 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 surcharges collected pursuant to traffic violations, infractions, and crimes. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.

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# Environmental and Economic Development Revolving Loan Fund S.B. No. 3056; S.B. No. 3302, S.D. 1; and H.B. No. 2088, H.D. 2 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

These bills propose to establish the Environmental and Economic Development Revolving Loan Fund and a low interest loan program to be administered by the Hawai'i Green Infrastructure Authority. The purpose of the loan program is to offer financial assistance for cesspool conversions, hurricane mitigation, and other qualifying improvements by offering at or below-market financing and leveraging a non-ad valorem property assessment payment mechanism. Revenues for the fund are from federal, state, county, private, or other sources; investments from public or private investors; repayment of loans and interest payments; and fees collected by the authority as a non-ad valorem special tax assessment on a benefitted property. These bills also propose that \$25,000,000 of general funds be appropriated into the fund for fiscal year 2023. In addition to loans to eligible borrowers, moneys in the fund will also be used to cover administrative and legal costs of fund management and management associated with individual loans, including personnel, services, technical assistance, data collection and reporting, materials, equipment, and travel.

## 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. 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 program and repayment of loans and interest payments, and fees collected by the authority as a non-ad valorem special tax assessment on a benefitted property. However, nexus or linkage does not exist between the program and funding from federal, state, county, private, or other sources, and investments from public or private investors.

# Extended Producer Responsibility Special Fund S.B. No. 3246 and H.B. No. 2399, H.D. 1 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

These bills propose to establish the Extended Producer Responsibility Special Fund and the Extended Producer Responsibility Program to be administered by the Department of Health. The purpose of the program is to engage producers best suited to eliminate packaging waste in a fair and balanced way; position the State to take full advantage of federal funding aimed at reducing waste; and prioritize reuse strategies as the most effective way to accomplish this goal. Revenues for the fund are from fees, payments, and penalties collected by the department; appropriations by the Legislature; and grants, donations, and interest. These bills also propose that an unspecified amount of general funds be appropriated into the fund for fiscal year 2023. Moneys in the fund will be allocated by the department to each county for the costs of creating a countywide needs assessment. In subsequent years, the department will make available moneys to each county to be expended for packaging reuse programs, and for other purposes consistent with the guidelines adopted. The department may also expend an unspecified amount of funds in each fiscal year to administer the program.

## 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 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 fees, payments, and penalties collected by the department. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.

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# Family Leave Insurance Fund

## S.B. No. 2312 and H.B. No. 1506

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the Family Leave Insurance Fund and the Family Leave Insurance Program to be administered by the Department of Labor and Industrial Relations. The purpose of the program is to provide a covered individual with paid family leave for up to sixteen weeks per calendar year. Revenues for the fund are from employer and employee contributions based on the employee's average weekly wage, interest earned, income, dividends, refunds, rate credits, and other returns. Moneys in the fund will be used to finance benefits, administration, outreach, and education or study of family leave insurance.

#### 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 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 employer and employee contributions.

# Fetal Alcohol Spectrum Disorders Special Fund S.B. No. 2647, S.D. 1 and H.B. No. 1814 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

These bills propose to establish the Fetal Alcohol Spectrum Disorders Special Fund to be administered by the Department of Human Services. Revenues for the fund are from federal funds granted by Congress or presidential executive order for the purpose of assisting individuals with fetal alcohol spectrum disorders and accrued interest. Moneys in the fund will be used by the department to provide assistance to individuals having fetal alcohol spectrum disorders in a manner that complies with federal law or presidential executive orders, as applicable. We note that subsequent amendments to S.B. No. 2647 deleted and replaced its content with language that no longer establishes this fund.

## 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.

## Nexus or Linkage

Nexus or linkage exists between the activities described in the bills and federal funds granted by Congress or presidential executive order for the purpose of assisting individuals with fetal alcohol spectrum disorders.

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# Green Tourism Special Fund

## H.B. No. 1512

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Green Tourism Special Fund to be administered by the Department of Budget and Finance. Revenues for the fund are proceeds of a proposed environmental surcharge on visitor accommodations; appropriations made by the Legislature; grants, donations, and funds received by the department; and interest. 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 promote solid waste 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 aiaa-based stewardship in public schools.

#### 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 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 grants, donations, and funds received by the department for purposes of the fund. However, nexus or linkage does not exist between the activities and proceeds of the environmental surcharge on visitor accommodations and continued support from legislative appropriations.

# Hawai'i Charter School Teacher Stipend Program Special Fund H.B. No. 2284, H.D. 1 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

This bill proposes to establish the Hawai'i Charter School Teacher Stipend Program Special Fund and the Hawai'i Charter School Teacher Stipend Program to be administered by the Hawai'i Charter School Commission. The purpose of the program is to address the shortfall of licensed teachers in the department's schools by providing a stipend to students who enroll in a state-approved teacher education program at a University of Hawai'i campus and agree to teach at a Hawai'i public charter school for five consecutive years. Revenues for the fund are from legislative appropriations, and all moneys received as repayment from students due to a breach in contractual agreements under the program. This bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2023. Moneys in the fund will be used to provide ongoing stipends to students in 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

Nexus or linkage exists between the program and moneys received as repayment from students due to a breach in contractual agreements under the program. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.

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# Hawai'i Environmental Legacy Special Fund

## S.B. No. 3012 and H.B. No. 1802

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the Hawai'i Environmental Legacy Special Fund and the Visitor Green Fee Program to be administered by the Department of Land and Natural Resources. The purpose of the program is advance the 2030 Aloha+ challenge natural resources management targets. Revenues for the fund are from visitor green fees paid by nonresidents to obtain a license to use Hawai'i's public beaches, parks, trails, coastlines, and environment; legislative appropriations; and grants and gifts made to the special fund. Moneys in the fund will be used for grants to local governments, nonprofit organizations, and community-based organizations; allocations to state agencies to enhance state management of natural resources, implementation of state regulatory programs designed to protect natural resources; enforcement of natural resource protection laws and regulations; and administrative expenses.

#### 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 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 visitor green fees paid by nonresidents to obtain a license to use Hawai'i's public beaches, parks, trails, coastlines, and environment. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.

# Hawai'i Food Assistance Program Special Fund S.B. No. 2956 and H.B. No. 1566 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

These bills propose to establish the Hawai'i Food Assistance Program Special Fund and the Hawai'i Farm to Food Bank Program to be administered by the Department of Labor and Industrial Relations' Office of Community Services. The purpose of the program is to relieve food shortages experienced by residents of the State, including low-income and unemployed families and individuals, by distributing locally grown or produced food to those persons. Revenues for the fund are from appropriations by the Legislature; gifts, donations, and grants from public agencies and private persons; and interest accrued from moneys in the special fund. These bills also propose that \$5,000,000 of general funds be appropriated into the fund for fiscal year 2023. Moneys in the fund will be made available to food banks located in the State which will purchase, store, and transport food grown or produced in Hawai'i to be distributed to recipients at no cost.

## 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 the program cannot be successfully implemented through the general fund appropriation process was not provided.

## Nexus or Linkage

Nexus or linkage exists between program and 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.

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# Hawai'i Medical Education Special Fund

## S.B. No. 2655 and H.B. No. 1550, H.D. 1

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the Hawai'i Medical Education Special Fund to be administered by the John A. Burns School of Medicine at the University of Hawai'i at Manoa. Revenues for the fund are from moneys from the Centers for Medicare and Medicaid Services or other federal agencies; appropriations made by the Legislature; grants provided by governmental agencies or any other source; moneys directed to the fund from contracts; donations and contributions made by private individuals or organizations for deposit into the fund; interest accrued on the fund; and any other moneys made available to the fund from other sources. Moneys in the fund will be used by the John A. Burns School of Medicine for graduate medical education and training programs with an emphasis on supporting residency training on the neighbor islands and medically underserved populations throughout the State.

#### 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 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 grants, donations, and contributions dedicated to the special fund. However, nexus or linkage does not exist between the activities and continued support from legislative appropriations and unspecified other moneys.

# Hawai'i Property Assessed Clean Energy Revolving Fund H.B. No. 2048 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

This bill proposes to establish the Hawai'i Property Assessed Clean Energy Revolving Fund and the Hawai'i Property Assessed Clean Energy Program to be administered by the Department of Business, Economic Development and Tourism. The purpose of the program is to promote increased activity in residential and commercial renewable projects, stimulate the State's clean energy sector, reach energy efficiency and clean energy goals, increase energy security, encourage economic diversification, provide increased career opportunities for Hawai'i residents, and attract funding and investment into the State. Revenues for the fund include proceeds from the issuance of revenue bonds, repayment of loans and interest, moneys received from operation of the program, appropriations made by the Legislature, interest earned from the investment of moneys in the fund, and grants. Moneys in the fund will be used to make loans to residential and commercial property owners for energy efficient improvements and renewable energy systems, repay any debt service on the revenue bonds, and administrative expenses relating to the operation of the fund and loan program.

## 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 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 proceeds from the issuance of revenue bonds; repayment of loans and interest, moneys received from operation of the program, and grants. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.

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# Hawai'i Retirement Savings Special Fund

## S.B. No. 3289, S.D. 1 and H.B. No. 2046

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the Hawai'i Retirement Savings Special Fund and the Hawai'i Retirement Savings Program to be administered by the Hawai'i Retirement Savings Board, in consultation with the Department of Budget and Finance and Department of Labor and Industrial Relations. The purpose of the program is to provide a state-facilitated payroll-deduction retirement savings plan for private sector employees who do not have access to employer-sponsored retirement savings plans. Revenues for the fund are from moneys appropriated by the Legislature; moneys transferred to the fund from the federal government, other states, and their political subdivisions; fees collected by the Board in relation to the administration and operation of the program; grants, gifts, and donations made to the Board; contributions to, or investment returns or assets of, the program or other moneys collected by or for the program; interest earned or accrued on fund deposits; and penalties. Moneys in the fund will be used for administrative costs and expenses incurred by the Board in the performance of its duties.

#### 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 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 fees collected by the Board in relation to the administration and operation of the program; grants, gifts, and donations made to the Board; interest earned; and penalties. However, nexus or linkage does not exist between the program and continued support from legislative appropriations. Without additional information, it is also unclear whether nexus or linkage exists between the program and revenues from "other moneys collected by or for the program."

# Hawai'i Teacher Stipend Program Special Fund

## H.B. No. 2284, H.D. 1

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Hawai'i Teacher Stipend Program Special Fund and the Hawai'i Teacher Stipend Program to be administered by the Department of Education. The purpose of the program is to address the shortfall of licensed teachers in the department's schools by providing a stipend to students who enroll in a state-approved teacher education program at a University of Hawai'i campus and agree to teach in the Hawai'i public school system for five consecutive years. Revenues for the fund are from legislative appropriations, and all moneys received as repayment from students due to a breach in contractual agreements under the program. This bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2023. Moneys in the fund will be used to provide ongoing stipends to students in 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

Nexus or linkage exists between the program and moneys received as repayment from students due to a breach in contractual agreements under the program. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.

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# Hawaiian Home Lands Special Fund

## S.B. No. 3359, S.D. 1 and H.B. No. 2511, H.D. 1

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the Hawaiian Home Lands Special Fund to be administered by the Department of Hawaiian Home Lands. Revenues for the fund are from appropriations made by the Legislature; grants provided by governmental agencies or any other source; donations and contributions made by private individuals or organizations; interest; and any other moneys made available to the special fund from other sources. S.B. No. 3359, S.D. 1, also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2023. H.B. No. 2511, H.D. 1, would appropriate \$600,000,000 into the fund for fiscal year 2023. Moneys in the fund will be used by the department to fulfill its fiduciary duties to beneficiaries of the Hawaiian Homes Commission Act of 1920, including providing funding for beneficiaries to acquire a residence.

#### 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 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 grants, as well as donations and contributions made by private individuals or organizations. However, nexus or linkage does not exist between the activities described in the bills and continued support from legislative appropriations. Without additional information, it is unclear whether nexus or linkage exists between the activities described in the bills and “any other moneys made available to the special fund from other sources.”

# Healthy ‘Ohana Special Fund

## S.B. No. 2211

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes 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. This bill also proposes that \$250,000 of general funds be appropriated into the Healthy ‘Ohana Special Fund for fiscal year 2023. A percentage of moneys in the fund will be used for implementation and evaluation of the Sugar-Sweetened Beverage Fee Program; a percentage shall be used to support primary prevention and chronic disease prevention; and a percentage shall be deposited into a Healthy ‘Ohana Trust Fund also established by the bill.

#### 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 sugar-sweetened beverage fee.

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# Healthy Soils Grant Program Special Fund

## S.B. No. 2989 and H.B. No. 1804

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the Healthy Soils Grant Program Special Fund and the Healthy Soils Grant Program to be administered by the Department of Agriculture. The purpose of the program is to create a statewide soil health assessment with a list of practices specific to the State that are most effective in improving soil health and building soil carbon stocks; provide farmers with education and technical assistance to implement farm management practices that contribute to healthy soils; establish standards that shall apply to the Healthy Soils Grant Program based on the findings of reports completed by the greenhouse gas sequestration task force; and award grants and other financial incentives to implement farm management practices that contribute to healthy soils. Revenues for the fund are from appropriations by the Legislature. These bills also propose that an unspecified amount of general funds be appropriated into the special fund for fiscal year 2023. Moneys in the fund will be used to implement and operate the healthy soils program and award grants.

#### 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 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 program and continued support from legislative appropriations.

# Homelessness and Housing Solutions Special Fund S.B. No. 2370, S.D. 1 and H.B. No. 1648, H.D. 1 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

These bills propose to establish the Homelessness and Housing Solutions Special Fund and an Office of Homelessness and Housing Solutions within the Department of Human Services, for administrative purposes only. The purpose of the office and associated programs is to reduce and ultimately end homelessness through the identification and addressing of system gaps, including the development and implementation of homelessness and housing strategies; providing administrative support for the Hawai'i Interagency Council on Homelessness to develop its unified 10-year statewide plan to address homelessness; and to establish and maintain a statewide homelessness and shelter and housing data clearinghouse. Revenues for the fund are from appropriations by the Legislature; gifts, donations, and grants from public agencies and private persons; and interest earned. S.B. No. 2370, S.D. 1, also proposes that \$2,000,000 of general funds be appropriated into the fund for fiscal year 2023, while H.B. No. 1648, H.D. 1, would appropriate an unspecified amount of general funds into the proposed fund. Moneys in the fund will be used to expand tested solutions aimed to end homelessness; provide financial assistance to public and private agencies involved in homelessness and housing solutions; test, develop and assess innovative housing solutions; and cover administrative and operational costs of the office.

## Analysis

**These bills 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 bills. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the activities 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. However, nexus or linkage does not exist between the activities and continued support from legislative appropriations.

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# Homes for Families Special Fund

## S.B. No. 2508

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Homes for Families Special Fund to be administered by the Department of Taxation. Revenues for the fund are from taxes levied and assessed on taxpayers owning 10 or more rental units, or twenty-five total properties; any interest earned on the balance of the special fund; and appropriations by the Legislature. This bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2023. Moneys in the fund will be used for housing and rental assistance.

#### 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 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 and the proposed taxes levied and assessed on taxpayers owning 10 or more rental units, or twenty-five total properties.

# Kuleana Special Fund

## H.B. No. 2412

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Kuleana Special Fund to be administered by the Department of Business, Economic Development and Tourism. Revenues for the fund are from appropriations made by the Legislature, contributions from public or private entities, interest, and any other moneys made available to the fund from other sources. This bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2023. Moneys in the fund will be used for the preservation of natural, cultural, and environmental resources that are impacted by the tourism industry.

#### 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 cannot be successfully implemented through the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the activities and contributions from public or private entities. However, nexus or linkage does not exist between the activities and continued support from legislative appropriations.

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# Landlord Incentive Program Special Fund

## S.B. No. 2504, S.D. 1

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Landlord Incentive Program Special Fund to be administered by the Hawai'i Public Housing Authority (HPHA). Revenues for the fund are from appropriations made by the Legislature, as well as grants, gifts, and interest. This bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2023. Moneys in the fund will be used to provide rent reimbursement incentives and to reimburse landowners who participate in HPHA voucher programs, including Section 8 housing choice vouchers, rapid rehousing vouchers, and permanent housing vouchers 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 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 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 grants, gifts, and any interest on funds. However, nexus or linkage does not exist between these activities and continued support from legislative appropriations.

# Lottery and Gaming Special Fund S.B. No. 2365 and H.B. No. 2040 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

These bills propose to establish the Lottery and Gaming Special Fund to be administered by a 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 community betterment purposes: Department of Education shortage differentials (25%), Department of Education capital improvements (20%), University of Hawai'i system capital improvements (20%), 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

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 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 the proceeds from legal gaming.

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# Mauna Kea Management Special Fund

## H.B. No. 2024

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Mauna Kea Management Special Fund to be administered by a proposed Mauna Kea Stewardship Authority administratively attached to the Department of Land and Natural Resources. Revenues for the fund are from legislative appropriations, moneys from supplemental sources, grants or donations, and interest. Moneys in the fund will be used for administration, capital improvement projects, and other purposes.

#### 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 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 and continued support from legislative appropriations. Without additional information, it is also unclear whether nexus or linkage exists between the activities as they are described in the bill and “moneys from supplemental sources” which is not further described in the bill.

# Public Wireless Safety Fund

## S.B. No. 3016 and H.B. No. 2244

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the Public Wireless Safety Fund to be administered by the Department of Commerce and Consumer Affairs. Revenues for the fund are from a proposed monthly wireless safety surcharge of one and one-half percent of the amount charged for all wireless service fees billed to each customer per month for each wireless communications service provider operating within the State, except services billed to federal, state, and county governmental entities. Moneys in the fund will be used exclusively for the purposes of ensuring adequate public wireless safety and the expenses of administering the fund.

#### 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 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 the proposed wireless safety surcharges.

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# Pulehunui Community Development District Special Fund S.B. No. 2398, S.D. 1; S.B. No. 3224, S.D. 1; and H.B. No. 1827, H.D. 1 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

These bills propose to establish the Pulehunui Community Development District Special Fund and the Pulehunui Community Development District to be administered by the Hawai'i Community Development Authority. The purpose for creating the development district is to facilitate planning, development, and maintenance of public lands in Pulehunui, Maui. Revenues for the fund are from all revenues, income, and receipts of the authority for the district; moneys directed, allocated, or disbursed to the district from government agencies or private individuals or organizations, including grants, gifts, awards, donations, and assessments of landowners for costs to administer and operate the district; and moneys appropriated by the Legislature. Moneys in the fund will be used for planning, design, development, construction, and maintenance work authorized by the authority.

## 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 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 of the authority for the district, as well as moneys directed, allocated, or disbursed to the district from government agencies or private individuals or organizations, including grants, gifts, awards, donations, and assessments of landowners for costs to administer and operate the district. However, nexus or linkage does not exist between the activities and continued support from legislative appropriations.

# Rent Stabilization Special Fund

## H.B. No. 1861

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Rent Stabilization Special Fund to be administered by a proposed Hawai‘i Rent Board administratively attached to the Department of Commerce and Consumer Affairs. Revenues for the fund are from annual fees to be assessed on all rental units. Moneys in the fund will be used to support the activities of the Hawai‘i Rent Board, including publishing, overseeing, and enforcing annual rent adjustments and conducting rental arbitration hearings, mediations, and investigations on reports of alleged wrongful evictions.

#### 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 cannot be successfully implemented through the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the Hawai‘i Rent Board’s activities and annual fees assessed on all rental units.

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# Resilient Hawai'i Revolving Loan Fund

## H.B. No. 1588, H.D. 1

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Resilient Hawai'i Revolving Loan Fund to be administered by the Hawai'i Emergency Management Agency. Revenues for the fund are from federal or private funding sources; moneys appropriated by the Legislature; investment and interest earnings of the fund; moneys received as repayment of loans, including principal and interest; and all other moneys received by the fund from all other sources. This bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2023. Moneys in the fund will be used to provide low- or no-interest loans to the counties and nonprofit organizations for local resilience projects that address mitigation of all hazards, including natural disasters, and administrative support associated with the revolving loan fund, including the hiring of necessary staff.

#### 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 activities 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 federal or private funding sources, and moneys received as repayment of loans. However, nexus or linkage does not exist between the activities and continued support from legislative appropriations. Without additional information, it is also unclear whether nexus or linkage exists between the activities and "all other moneys received by the fund from any other source."

# S.B. No. 2950 Special Fund

## S.B. No. 2950

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish an unnamed special fund relating to agriculture inspection fees. Revenues for the fund are from the proposed imposition of fees for the inspection, quarantine, and eradication of invasive species, pests, or bacteria contained in freight, including marine commercial container shipment, air freight, or any other means of transporting freight, foreign or domestic, but not including aggregate bulk freight, cement bulk freight, coal bulk freight, or liquid bulk freight, that is brought into the State. The fees shall be imposed on freight of agriculture product types that are currently grown or produced in the State, including commercial green and roasted coffee for blending. Moneys in the fund will be deposited into a special fund established by the Department of Agriculture and used to support agricultural production in the State. We note that subsequent amendments to S.B. No. 2950 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 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 these activities cannot be successfully implemented through the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage does not exist between the collection of inspection fees for agricultural products brought into the State and the support of agricultural production in the State.

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# Search and Rescue Special Fund

## H.B. No. 1572

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Search and Rescue Special Fund and the Hike Safe Card Program to be administered by the Department of Land and Natural Resources. The purpose of the program is not specified in the bill. Revenues for the fund are from appropriations from the Legislature and proceeds from the sale of hike safe cards available for purchase by the public. Moneys in the fund will be used for defraying the search and rescue expenses of a government entity and paying administrative costs of the Hike Safe Card 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

Nexus or linkage does not exist between the program and continued support from legislative appropriations. Without additional information about the scope of the program, it is unclear whether nexus or linkage exists between the program and proceeds from the sale of hike safe cards.

# Short-Term Rental Assistance Special Fund S.B. No. 2811 and H.B. No. 1858 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

These bills propose to establish the Short-Term Rental Assistance Special Fund and the Short-Term Rental Assistance Program to be administered by the Hawai'i Public Housing Authority. The purpose of the program is to provide up to twenty-four months of rental assistance and other eligible non-rent housing expenses during any three-year period to an individual or family whose income does not exceed fifty percent of the area median income. Revenues for the fund are from legislative appropriations. These bills also propose that an unspecified amount of general funds be appropriated into the fund for fiscal year 2023. Moneys in the fund will be expended by the authority for the sole purpose of providing rental assistance.

## 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 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 legislative appropriations.

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# State Highway Corridor Special Fund

## S.B. No. 2603, S.D. 1

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the State Highway Corridor Special Fund to be administered by the Department of Transportation. Revenues for the fund are from appropriations by the Legislature; moneys received from the sales or leases of rights-of-way, telecommunication facilities, and telecommunication services; moneys received from providers to reimburse costs for compensation claims; and interest. Moneys in the fund will be used for maintenance, operation, and expansion of telecommunication facilities and telecommunication services within rights-of-way that are managed by the department and payment of compensation to property owners.

#### 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 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 moneys received from the sales or leases of rights-of-way, telecommunications facilities, and telecommunications services, as well as moneys received from providers to reimburse costs for compensation claims. However, nexus or linkage does not exist between the activities and continued support from legislative appropriations.

# Spay and Neuter Special Fund S.B. No. 2837, S.D. 1 and H.B. No. 1610 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

These bills propose to establish the Spay and Neuter Special Fund to be administered by the Department of Budget and Finance. Revenues for the fund are from a proposed state income tax refund designation to the special fund pursuant to section 235-102.5(e), HRS; appropriations or other moneys made available; and interest. These bills also propose that an unspecified amount of general funds be appropriated into the fund for fiscal year 2023. Moneys in the fund will be used to reduce pet overpopulation and the reproduction of free-roaming cats by providing spaying and neutering surgery and associated veterinary care.

## 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 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 state income tax refund designations to the special fund. However, nexus or linkage does not exist between the activities and continued support from legislative appropriations. Without additional information, it is unclear whether nexus or linkage exists between the activities and other moneys made available to the fund.

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# Sports Wagering Special Fund

## H.B. No. 1815

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Sports Wagering Special Fund and the Online Sports Wagering Corporation to be administered by the Department of Business, Economic Development and Tourism. The purpose of the corporation is to conduct and regulate sports wagering for the benefit of the State. Revenues for the fund are from a proposed “sports wagering tax” on all sports wagering winnings. Moneys in the fund will be used for the operating expenses of the corporation. The bill would also require that fund moneys in excess of an unspecified amount be transferred to the general fund on June 30 of each fiscal year.

#### 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 Online Sports Wagering Corporation’s activities. 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 operating expenses of the corporation and revenues from the proposed sports wagering tax on all sports wagering winnings.

# Start-Up Business Loan Program Revolving Fund S.B. No. 2805, S.D. 1 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

This bill proposes to establish the Start-Up Business Loan Program Revolving Fund and the Hawai'i Start-Up Business Loan Program to be administered by the Department of Business, Economic Development and Tourism. The purpose of the program is to provide loans to start-up businesses. Revenues for the fund are from legislative appropriations; moneys received as payments of loans; and interest payments. Moneys in the fund will be used to provide loans to start-up businesses to finance working capital, construction or improvement of facilities, and equipment.

## 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 Start-Up Business Loan 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 repayments of loans and interest. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.

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# Start-Up Business Loan Program Special Fund

## H.B. No. 2439, H.D. 1

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Start-Up Business Loan Program Special Fund and the Hawai'i Start-Up Business Loan Program to be administered by the Department of Business, Economic Development and Tourism. The purpose of the program is to provide loans to start-up businesses. Revenues for the fund are from legislative appropriations; moneys derived from loan interest; and gifts, donations, or grants from public agencies or private persons. Moneys in the fund will be used to provide loans to start-up businesses to finance working capital, construction or improvement of facilities, and equipment.

#### 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 Hawai'i Start-Up Business Loan 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 derived from loan interest, as well as gifts, donations, and grants. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.

# State Gaming Fund

## H.B. No. 1820

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the State Gaming Fund and the Hawai'i Gaming Control Commission to be administered by the Department of Business, Economic Development and Tourism. The purpose of the commission is to supervise all casino gaming operations in the State. Revenues for the fund are from fees and fines collected by the commission and a portion of general excise tax revenues realized by the State pursuant to section 237-13(9), Hawai'i Revised Statutes. Moneys in the fund will be used to fund a compulsive gamblers program, public security at casino facilities, and the commission's administrative expenses.

#### 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 of the Hawai'i Gaming Control Commission. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the activities of the commission cannot be successfully implemented through the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the commission's activities as described in the bill and revenues from fees and fines collected by the commission. However, nexus or linkage does not exist between the commission's activities and revenues from a portion of general excise tax revenues realized by the State.

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# State Lottery Prize Revolving Fund S.B. No. 2310 and H.B. No. 2485 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

These bills propose to establish the State Lottery Prize Revolving Fund and the Hawai'i State Lottery Commission to be administered by the Department of Accounting and General Services. The purpose of the commission is to oversee a state lottery to produce the maximum amount of net revenue "consistent with the dignity of the State." Revenues for the fund are from a portion of the gross proceeds from the sale of lottery tickets for payment of prizes to the holders of winning lottery tickets. Moneys in the fund will be used for payment of prizes to the holders of winning lottery tickets. These bills would also permit the fund to transfer thirty percent of any unclaimed prize money to the state general fund and use the remaining seventy percent as additional prizes in future games.

## 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 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 a portion of the gross proceeds from the sale of lottery tickets or shares.

# State Lottery Revolving Fund S.B. No. 2310 and H.B. No. 2485 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

These bills propose to establish the State Lottery Revolving Fund and the Hawai‘i State Lottery Commission to be administered by the Department of Accounting and General Services. The purpose of the commission is to oversee a state lottery to produce the maximum amount of net revenue “consistent with the dignity of the State.” Revenues for the fund are from the sale of lottery tickets or shares, any fees established in rules adopted, and all other moneys credited or transferred from any other fund or source pursuant to statute, with the exception of those moneys set aside for payment of prizes and deposited in the separate State Lottery Prize Revolving Fund. Moneys in the fund will be used for the expenses of the commission incurred in carrying out its duties and in the operation of the lottery. These bills would also require the fund to transfer any moneys in excess of an unspecified amount to the Pest Inspection, Quarantine, and Eradication Fund.

## 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 of the Hawai‘i State Lottery Commission. Although revenue sources and expenses for the fund are identified, detailed financial information was not provided. Additionally, an explanation of why the commission cannot be successfully implemented through the general fund appropriation process was not provided.

## Nexus or Linkage

Nexus or linkage exists between the expenses of the commission and revenues from the sale of lottery tickets or shares and any fees established in rules. However, nexus or linkage does not exist between transfers of excess moneys to the Pest Inspection, Quarantine, and Eradication Fund and the revenue sources described in the bills. Without additional information, it is unclear whether nexus or linkage exists between these activities and “other moneys credited or transferred from any other fund or source.”

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# State Mortgage Insurance Special Fund

## S.B. No. 2249

### Does Not Meet Criteria

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#### 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. The purpose of the program is to provide loan guarantees of up to fifteen percent of the principal balance of real property mortgage loans for the purchase of qualified single-family or multifamily dwelling units made to qualified borrowers. The bill does not identify specific revenue sources for the fund. Moneys in the fund will be used to issue mortgage revenue bonds for the purposes of providing funds for the State Mortgage Insurance 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 State Mortgage Insurance Program. Although expenses for the fund are identified, the bill does not describe the fund's revenue sources and 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 regarding the fund's revenue sources, it is unclear whether nexus or linkage exists between the program and the fund's revenue sources.

# State Procurement Automation System Special Fund S.B. No. 3040, S.D. 1 and H.B. No. 2072 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

These bills propose to establish the State Procurement Automation System Special Fund to be administered by the State Procurement Office. Revenues for the fund are from transaction fees collected from all vendors using the procurement automation system, appropriations made by the Legislature, and interest earned. Moneys in the fund will be used for the development, implementation, management, and operation of the state 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 activities and transaction fees collected from all vendors using the procurement automation system. However, nexus or linkage does not exist between the activities described in the bills and continued support from legislative appropriations.

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# State Self-Insurance Against Property and Casualty Risks Special Fund

## H.B. No. 1830, H.D. 1

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the State Self-Insurance Against Property and Casualty Risks Special Fund to be administered by the Department of Accounting and General Services. Revenues for the special fund are from annual transfers of an unspecified amount of general funds authorized by the Governor, and assessments by the Comptroller to state agencies. This bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2023. Moneys in the fund will be used to provide the State with self-insurance coverage against property and casualty risks and pay claims to state agencies for losses to property of the State by fire or other casualty.

#### 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 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 assessments by the Comptroller to state agencies. However, nexus or linkage does not exist between the fund's activities and continued support from legislative appropriations.

# Statewide Homelessness Solutions Program

## Special Fund

### S.B. No. 2245

## Does Not Meet Criteria

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### Description and Purpose of the Proposed Fund

This bill proposes to establish the Statewide Homelessness Solutions Program Special Fund and the Statewide Homelessness Solutions Program to be administered by the Department of Human Services. The purpose of the program is to fill gaps in the State’s response to homelessness, promote innovation to move people into permanent housing, foster collaboration and streamlined processes at the local and state levels, and hold local and state government accountable for achieving results. Revenues for the fund are from “revenues derived from any change made to Title 14, Hawai‘i Revised Statutes,” and increases to personal income tax on incomes over \$1,000,000; increases of the corporate income tax; eliminated tax loopholes; or changes to unrealized capital gains and the stepped-up basis of inherited assets. Moneys in the fund will be used to fund the Statewide Homelessness Solutions 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 Statewide Homelessness Solutions 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 Statewide Homelessness Solutions Program and the revenue sources described in the bill.

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# Sustainable Aviation Fuel Program Special Fund

## S.B. No. 2866

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Sustainable Aviation Fuel Program Special Fund to be administered by the Hawai'i Technology Development Corporation. Revenues for the fund are from a portion of the environment response, energy, and food security tax specified under section 243-3.5, HRS, and appropriations made by the Legislature. Moneys in the fund will be used for the purposes of the Sustainable Aviation Fuel Program established pursuant to section 206M-24, HRS, which, among other things, provides matching grants to small businesses that are developing products related to sustainable aviation fuel or greenhouse gas reduction from commercial aviation 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 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 Sustainable Aviation Fuel Program established pursuant to section 206M-24, HRS, and revenues from a portion of the environment response, energy, and food security tax. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.

# Sustainable State Electronics Special Fund

## S.B. No. 2203

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Sustainable State Electronics Special Fund to be administered by the Department of Accounting and General Services. Revenues for the fund are from administrative penalties and fees for noncompliance with the Sustainable State Electronics Act. Moneys in the fund will be used for “the administration of [the Sustainable State Electronics Act].”

#### 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 cannot be successfully implemented through the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between expenditures for the administration of the Sustainable State Electronics Act and administrative penalties and fees for noncompliance with the Act. However, without additional information and because the bill does not specifically identify the other “revenues from the operations of the Sustainable State Electronics Act,” it is unclear whether nexus or linkage exists between administration of the Sustainable State Electronics Act and unspecified revenues derived from operation of the Act.

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# Third-Party Review Recovery Fund

## S.B. No. 2447 and H.B. No. 2453

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills establish a Third-Party Review Services Licensing Board within the Department of Commerce and Consumer Affairs, for administrative purposes only, and permits the board to establish a Third-Party Review Recovery Fund.<sup>1</sup> The purpose of the board is to license entities providing third-party review services for residential, commercial, or industrial development projects' proposed plans, specifications, and permit applications to ensure compliance with applicable federal, state, and local laws, rules, regulations, ordinances, and code. Revenues for the fund are from a licensing fee of \$50,000 to be paid by entities obtaining a third-party review services license. Moneys in the fund will be used to compensate any person injured by an act, representation, transaction, or conduct of a duly licensed third-party review services provider.

#### 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 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 the license fees paid by entities obtaining a third-party review services license.

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<sup>1</sup> We note that these bills do not explicitly “establish” a special fund as required by section 37-52.3, HRS: “Special funds shall be established only pursuant to an act of the legislature.” Rather, these bills grant the Board the discretion to establish a fund. See S.B. No. 2447 (“The board may establish and maintain a third-party review recovery fund . . .”).

# Transition Aged Youth Housing Special Fund

## S.B. No. 2224

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Transition Aged Youth Housing Special Fund to be administered by the Hawai'i Public Housing Authority. Revenues for the fund are from appropriations made by the Legislature. This bill also proposes that \$50,000,000 of general funds be appropriated into the fund for fiscal year 2023. Moneys in the fund will be used to create housing for youth under twenty-six years of age who have been removed from their homes or are experiencing homelessness.

#### 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 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.

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# Transit-Oriented Development Infrastructure Improvement Special Fund

## S.B. No. 2898, S.D. 1

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Transit-Oriented Development Infrastructure Improvement Special Fund and the Transit-Oriented Development Infrastructure Improvement Program to be administered by the Transit-Oriented Development Infrastructure Improvement District Board. The purpose of the program is to identify necessary infrastructure improvements within each county-designated transit-oriented development zone, or within a one-half mile radius of a proposed or existing transit station if the county has not designated transit-oriented development zones. Revenues for the fund are from all revenues, income, and receipts for the district; moneys directed, allocated, or disbursed to the district from governmental agencies or private individuals or organizations, including grants, gifts, awards, donations, and assessments of landowners for costs to administer and operate the district; assessments for infrastructure improvements in the district; and moneys appropriated by the Legislature. Moneys in the fund will be used for the payment of principal and interest on the bonds and the costs of administering, operating, and maintaining the program; the establishment of reserves; and other purposes as may be authorized in the proceedings for the issuance of the bonds.

#### 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.

#### Nexus or Linkage

Nexus or linkage exists between program and moneys directed, allocated, or disbursed to the district from governmental agencies or private individuals or organizations, including grants, gifts, awards, donations, and assessments of landowners for costs to administer and operate the district, as well as assessments for infrastructure improvements. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.

# Unemployment Compensation Insolvency Special Fund H.B. No. 2469, HD1 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

This bill proposes to establish the Unemployment Compensation Insolvency Special Fund to be administered by the Department of Labor and Industrial Relations. Revenues for the fund are from appropriations by the Legislature. This bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2023. Moneys in the fund will be used solely and exclusively to resolve an unemployment compensation trust fund insolvency emergency declared by the Governor.

## 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 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 legislative appropriations.

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# Vacant Homes Special Fund

## S.B. No. 2547

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Vacant Homes Special Fund to be administered by the Department of Business, Economic Development and Tourism. Revenues for the fund are from appropriations by the Legislature; gifts, donations, and grants from public agencies and private persons; and proceeds from the imposition of a “vacancy surcharge” assessed against persons licensed on account of the person’s vacant residential real property in the state. Moneys in the fund will be used for rental assistance programs and enforcement of the vacancy surcharge.

#### 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 cannot be successfully implemented through the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between enforcement of the vacancy surcharge and revenues from the vacancy surcharge, as well as gifts, donations, and grants. 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 funding rental assistance programs and revenues from the vacancy surcharge.

# Visitor Green Fee Special Fund S.B. No. 3192, S.D. 1 and H.B. No. 2245 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

These bills propose to establish the Visitor Green Fee Special Fund and the Visitor Green Fee Program to be administered by the Department of Land and Natural Resources. The purpose of the program is to collect a fee from visitors and allocate the revenue to protect and manage state-owned natural resources. Revenues for the fund are from visitor green fees, fines for failure to pay visitor green fees, appropriations by the Legislature, and any grants and gifts made to the fund. These bills also propose that an unspecified amount of general funds be appropriated into the fund for fiscal year 2023. Moneys in the fund will be used for grants that directly restore, enhance, and protect state-owned natural resources; the establishment of an Environmental Legacy Commission; and the creation and implementation of a visitor green fee strategic plan.

## 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 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 visitor green fees and fines, as well as grants and gifts. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.

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# Waiākea Peninsula Redevelopment District Revolving Fund

## S.B. No. 2833 and H.B. No. 1788, H.D. 1

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the Waiākea Peninsula Redevelopment District Revolving Fund and the Waiākea Planning Committee to be administered by the Department of Land and Natural Resources. The purpose of the committee is to be a policy-making committee for the Waiākea Peninsula Redevelopment District. Revenues for the fund are from the revenues, income, and receipts from the public lands in the Waiākea Peninsula Redevelopment District, moneys appropriated by the Legislature to the revolving fund, and any gifts, grants, and other funds accepted by the committee. These bills also propose that an unspecified amount of general funds be appropriated into the fund for fiscal year 2023. Moneys in the fund will be used for the purposes of the committee. We note that subsequent amendments to S.B. No. 2833 deleted language that would have established this fund.

#### 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 activities described in the bills and revenues, income, and receipts from the public lands in the Waiākea Peninsula Redevelopment District, as well as any gifts and grants. However, nexus or linkage does not exist between the fund's activities 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."