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EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER
PUBLIC UTILITIES COMMISSION

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION

September 5, 2003

FINANCE MEMORANDUM

MEMO NO. 03-08

TO: All Department Heads

FROM: Georgina K. Kawamura
Director of Finance

SUBJECT: Update of Revenue Estimates

The Department of Budget and Finance (B&F) compiles and reports the State's revenues to the Council on Revenues (Council) as required by Section 37-111, HRS. The Council is expected to schedule a meeting for the first part of January 2004, but the Council may schedule this meeting in mid-December 2003. The Council submits its report on projections of tax and non-tax revenues to the Governor and the Legislature for their use in making budget decisions. A copy of the Council's latest revenue estimate report, which includes your department's revised quarterly projections, is attached for your reference (Attachment A).

Attached for your review and update are copies of revenue estimate forms that reflect your department's estimates that were submitted to the Council for its September 2003 report. If your department receives or anticipates receipt of revenues for which an estimate form has not been provided, please fill out a blank form with the appropriate data.

Please comply with the procedures listed in Attachment B and only submit Program Revenue Details forms (original and one copy) with CHANGES to the B&F, Budget, Program Planning and Management Division (BPPMD) on or before December 1, 2003. If there are NO CHANGES, please return or FAX (586-1873) the attached sample transmittal (Attachment C) as soon as possible, but no later than December 1, 2003, to BPPMD.

Because the revenues reported during this period will impact FB 2004-05 supplemental budget legislative deliberations, it is imperative that all revenues are identified and reported accurately. We appreciate your continued cooperation in updating your estimates in a timely manner. If there are any questions, please have your staff contact Mr. Neal Miyahira, Administrator of BPPMD, at 586-1530.

Attachments

**STATE OF HAWAII
GENERAL FUND
MULTI-YEAR REVENUES FROM SOURCES OTHER THAN TAXES
FISCAL YEARS 2003 - 2010
(in thousands of dollars)**

| <u>Source</u> | <u>Actual FY 2003</u> | <u>Estimated FY 2004</u> | <u>Estimated FY 2005</u> | <u>Estimated FY 2006</u> | <u>Estimated FY 2007</u> | <u>Estimated FY 2008</u> | <u>Estimated FY 2009</u> | <u>Estimated FY 2010</u> |
|--|---------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Licenses & Permits | 1,206 | 953 | 962 | 962 | 962 | 962 | 962 | 962 |
| Revenues from Use of Money and Property | 61,143 | 55,669 | 56,664 | 56,420 | 55,822 | 55,327 | 54,917 | 54,759 |
| Federal Grants | 6,669 | 53,217 | 3,217 | 3,217 | 3,217 | 3,217 | 3,217 | 3,217 |
| Revenues from Other Agencies | 3,787 | 1,423 | 1,418 | 1,418 | 1,418 | 1,418 | 1,418 | 1,418 |
| Charges for Current Services | 149,636 | 140,093 | 152,867 | 155,570 | 159,369 | 165,004 | 168,914 | 172,775 |
| Fines, Forfeits & Penalties | 74 | 699 | 697 | 695 | 695 | 695 | 695 | 695 |
| Repayment of Loans & Advances | 20,166 | 25,062 | 22,145 | 26,954 | 28,681 | 27,961 | 27,435 | 20,994 |
| Other Non-Revenue Receipts | 341,447 | 125,982 | 110,598 | 125,453 | 136,911 | 143,739 | 145,357 | 145,464 |
| Subtotal | 584,127 | 403,097 | 348,567 | 370,690 | 387,075 | 398,323 | 402,915 | 400,284 |
| Judiciary | 30,310 | 26,071 | 26,574 | 27,030 | 27,541 | 28,063 | 28,594 | 29,137 |
| Total | 614,437 | 429,169 | 375,141 | 397,720 | 414,616 | 426,386 | 431,509 | 429,421 |

Prepared by: Department of Budget & Finance

September 3, 2003

**STATE OF HAWAII
SPECIAL REVENUE FUND
MULTI-YEAR TAX REVENUES
FISCAL YEARS 2003 - 2010
(in thousands of dollars)**

| Sources | Estimated FY 2003 | Estimated FY 2004 | Estimated FY 2005 | Estimated FY 2006 | Estimated FY 2007 | Estimated FY 2007 | Estimated FY 2009 | Estimated FY 2010 |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Transfer of Gen. Excise Tax | 8,570 | 8,500 | 1,350 | - | - | - | - | - |
| Transfer of Tobacco Tax | 1,024 | 1,040 | 1,047 | 1,047 | 1,047 | 1,047 | 1,047 | 1,047 |
| Liquid Fuel: | | | | | | | | |
| Highway | 75,733 | 74,837 | 73,836 | 74,518 | 75,201 | 75,883 | 76,565 | 77,248 |
| Aviation | 2,973 | 3,389 | 3,423 | 3,457 | 3,491 | 3,526 | 3,526 | 3,526 |
| Small Boats | 1,441 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 | 1,300 |
| Subtotal | 80,147 | 79,526 | 78,559 | 79,275 | 79,992 | 80,709 | 81,391 | 82,074 |
| Transfer of Transient Accom Tax | 92,852 | 93,292 | 95,991 | 99,281 | 102,761 | 106,418 | 110,262 | 110,262 |
| Motor Vehicle Weight Tax | 27,222 | 25,697 | 26,270 | 26,843 | 27,416 | 27,989 | 28,561 | 29,135 |
| Vehicle Registration Fee Tax | 19,037 | 18,206 | 18,438 | 18,670 | 18,902 | 19,133 | 19,365 | 19,597 |
| Vehicle Surcharge: | | | | | | | | |
| Rental /Tour | 39,472 | 38,402 | 38,913 | 39,425 | 39,937 | 28,942 | 29,454 | 29,966 |
| Environmental Response Tax | 1,562 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 |
| Unemployment Comp Tax | 134,698 | 147,000 | 147,000 | 147,000 | 147,000 | 147,000 | 147,000 | 147,000 |
| Employment & Training | 765 | 800 | 800 | 800 | 800 | 800 | 800 | 800 |
| Election Campaign Contrib T.F. | 29 | 260 | 260 | 260 | 260 | 260 | 260 | 260 |
| Transfer of Banks & Fin. Corp Tax | 1,500 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Transfer of Conveyance Tax | 5,909 | 5,372 | 5,572 | 5,772 | 5,772 | 5,772 | 5,772 | 5,772 |
| Transfer of Tax on Ins. Premiums | 1,096 | 1,100 | 1,100 | 1,100 | 1,100 | 1,100 | 1,100 | 1,100 |
| Total | 413,883 | 422,995 | 419,100 | 423,273 | 428,787 | 422,970 | 428,812 | 430,813 |

Prepared by: Department of Budget & Finance

September 3, 2003

STATE OF HAWAII
SPECIAL REVENUE FUND - SPECIAL FUNDS
MULTI-YEAR REVENUES FROM SOURCES OTHER THAN TAXES
FISCAL YEARS 2003 - 2010
(in thousands of dollars)

| Sources | Estimated <u>FY 2003</u> | Estimated <u>FY 2004</u> | Estimated <u>FY 2005</u> | Estimated <u>FY 2006</u> | Estimated <u>FY 2007</u> | Estimated <u>FY 2008</u> | Estimated <u>FY 2009</u> | Estimated <u>FY 2010</u> |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Licenses & Permits | 13,775 | 12,668 | 13,194 | 13,200 | 13,162 | 13,527 | 13,255 | 13,401 |
| Revenues from Use of Money and Property | 155,375 | 160,296 | 158,237 | 153,053 | 157,985 | 154,719 | 155,866 | 155,859 |
| Federal | 213,161 | 240,371 | 258,968 | 209,882 | 210,095 | 210,437 | 210,780 | 210,780 |
| Other Agencies | 21,341 | 21,077 | 21,074 | 21,074 | 21,074 | 29,214 | 29,214 | 29,214 |
| Charges for Current Services: | | | | | | | | |
| Utils & Other Enterprises | 273,945 | 286,775 | 286,509 | 304,025 | 309,509 | 315,902 | 319,962 | 320,010 |
| Others | 456,401 | 465,918 | 472,066 | 481,248 | 481,498 | 484,116 | 485,070 | 485,123 |
| Fines, Forfeits & Penalties | 2,820 | 2,082 | 2,108 | 2,166 | 2,223 | 2,281 | 2,339 | 2,397 |
| Non-Revenue Receipts | 267,681 | 176,766 | 152,070 | 152,066 | 152,066 | 157,259 | 157,259 | 157,259 |
| Judiciary | 5,497 | 4,527 | 4,524 | 4,058 | 4,076 | 4,095 | 4,113 | 4,132 |
| Office of Hawaiian Affairs | <u>79</u> | <u>81</u> | <u>81</u> | <u>81</u> | <u>81</u> | <u>81</u> | <u>81</u> | <u>81</u> |
| Total | <u>1,410,074</u> | <u>1,370,561</u> | <u>1,368,832</u> | <u>1,340,853</u> | <u>1,351,769</u> | <u>1,371,631</u> | <u>1,377,939</u> | <u>1,378,256</u> |

Prepared by: Department of Budget & Finance

September 3, 2003

STATE OF HAWAII

SPECIAL REVENUE FUND - OTHER THAN SPECIAL FUNDS
Multi-Year Revenues from Sources Other than Taxes
Fiscal Years 2003 - 2010
(in thousands of dollars)

| <u>Source</u> | <u>Estimated FY 2003</u> | <u>Estimated FY 2004</u> | <u>Estimated FY 2005</u> | <u>Estimated FY 2006</u> | <u>Estimated FY 2007</u> | <u>Estimated FY 2008</u> | <u>Estimated FY 2009</u> | <u>Estimated FY 2010</u> |
|--|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Licenses & Permits | 482 | 459 | 459 | 459 | 459 | 459 | 459 | 459 |
| Revenues from Use of Money and Property | 57,636 | 54,298 | 52,676 | 52,262 | 52,113 | 52,481 | 52,462 | 52,417 |
| Federal | 1,386,344 | 1,416,586 | 1,426,263 | 1,451,209 | 1,488,352 | 1,528,658 | 1,573,829 | 1,575,996 |
| Other Agencies | 11,739 | 11,358 | 10,632 | 10,632 | 10,652 | 10,652 | 10,652 | 10,652 |
| Charges for Current Services | 106,553 | 108,840 | 131,318 | 95,462 | 76,821 | 76,797 | 76,605 | 76,465 |
| Fines, Forfeits & Penalties | 815 | 1,204 | 1,218 | 1,209 | 1,209 | 1,209 | 1,209 | 1,209 |
| Non-Revenue Receipts | 559,729 | 681,673 | 794,018 | 766,913 | 818,628 | 783,323 | 805,621 | 806,033 |
| Office of Hawaiian Affairs | <u>54,035</u> | <u>17,000</u> | <u>17,000</u> | <u>17,000</u> | <u>17,000</u> | <u>17,000</u> | <u>17,000</u> | <u>17,000</u> |
| TOTAL | <u>2,177,333</u> | <u>2,291,418</u> | <u>2,433,584</u> | <u>2,395,146</u> | <u>2,465,234</u> | <u>2,470,579</u> | <u>2,537,837</u> | <u>2,540,231</u> |

Prepared by: Dept. of Budget & Finance

September 3, 2003

ATTACHMENT B

UPDATE OF REVENUE ESTIMATES

1. Make all changes in RED INK to facilitate the keypunching phase of the reporting cycle.
2. Briefly explain all changes (increases and decreases). Please print the name of a reference person and a phone number for follow-up questions.
3. Provide actual revenues for FY 03, estimates for FYs 2004-10 and explain how the estimates were determined.
4. For accounts with "S" type appropriations, e.g., appropriation symbol = S2004nnnX, identify whether the account is a Special Fund or a Revolving or Other Fund.
5. For Special Funds that have been repealed, DO NOT DELETE the revenue record. Place zeros in the revenue amounts of the appropriate fiscal periods instead of deleting the record and annotate on the form the fund has been repealed.
6. Please ensure all transfers from non-general funds to the general fund are included on revenue worksheets. For repealed special funded programs that are transferred to the general fund, fill out a worksheet that reflects the projected revenues in the general fund. On a separate form, provide an estimate of the ending balance that will be transferred upon termination of the special fund using source code 1992.
7. For "pass-through" transactions. If your agency is the lead agency and funds are transferred via the Department of Accounting and General Services' (DAGS) 804/805 transaction codes, report total funds received before pass-through occurs. Receiving agencies need not report these revenues. All other transfers that are not recorded via 804/805 transactions must be reported by the receiving agency.
8. Include all previously unreported revenue sources on appropriate new forms. Tax revenues, federal grants, and other than federal grants should be reported on forms for Revenue Type "X," "Y," and "Z," respectively. Please do not submit new estimates on prior year blank forms. The year codes are no longer valid. Forms are available for download at:
<http://www.state.hi.us/budget/bppmforms.htm#revenueestimate>

9. Use only valid DAGS source codes. Where source codes or appropriation symbols are pending, e.g., new programs, complete a blank revenue form for these programs: report the applicable projected revenues, use the closest codes/symbols, and note that the actual information is pending. When a new source code/appropriation symbol is assigned, revise the revenue sheet as necessary.
10. To ensure the correct matching of revenue estimates and collection data on the MBP454-B Report (FAMIS system), the estimate data will be posted to the parent account if both parent and program accounts are reported for a revenue source.
11. Where worksheets are centrally collected from programs for submission to the Department of Budget and Finance (B&F), please send whatever you have before the deadline instead of waiting for “stragglers.” Please indicate whether more worksheets will be forthcoming or not.
12. Submit worksheets (**original and one copy**) with **CHANGES ONLY** to B&F, Budget, Program Planning and Management Division (BPPMD), through the Director of Finance, on or before the stated deadline.
13. If there are **NO CHANGES**, please return or FAX the attached sample transmittal on or before the stated deadline to the B&F, BPPMD (FAX number – 586-1873).

ATTACHMENT C

TRANSMITTAL

DATE _____

TO: Mr. Neal Miyahira, Administrator
Budget, Program Planning and Management Division
Department of Budget and Finance

FROM: _____

SUBJECT: REVENUE ESTIMATES

- No changes are required
- Changes are attached

If there are questions, please call _____

at _____.

DEPARTMENTAL ATTACHMENTS ARE AVAILABLE UPON REQUEST.