

Significant Changes from May 2025 Report

General Fund Non-Tax Revenues

Use of Money and Property – the increase in FY 25 is attributed to investment pool account earnings (Department of Budget and Finance (B&F)).

Other Agencies – the increase in FY 25 is attributed to checks issued by the Department of Accounting and General Services (DAGS) not being cashed.

Non-Revenue Receipts – the increase in FY 25 is attributed to the transfers to the general fund from the TAX Administration Special Fund (Department of Taxation (TAX)), and the Unclaimed Property Trust Fund (B&F). The decreases in FYs 26-32 are attributed to projected reductions in transfers from the TAX Administration Special Fund (TAX).

Special Tax Revenues

Transfer of General Excise Tax (GET) – the decreases in FYs 25-32 reflect actual collections in FY 25; revised estimates of GET transfers to the Mass Transit Special Fund (MTSF) based on the Council of Revenues' (COR) forecast from the meeting held on May 21, 2025 for FYs 26-31; and the sunset of Section 248-2.7, HRS, effective December 31, 2030, for FY 32 (B&F).

Transfer of Tobacco Tax – the net decrease in FY 25 reflects the update of actual collections, which were slightly lower than projected. The net increases in FYs 26-32 are attributed to an additional two cents per cigarette allocated to support the University of Hawai'i (UH) Cancer Center research activities beginning January 1, 2026, pursuant to Act 95, SLH 2025 (UH).

Transfer of Transient Accommodations Tax (TAT) – the decreases in FYs 25-32 reflect actual collections in FY 25; revised estimates of TAT transfers to the MTSF based on the COR's forecast from the meeting held on May 21, 2025, for FYs 26-31; and the sunset of Section 248-2.7, HRS, effective December 31, 2030, for FY 32 (B&F).

Transfer of Unemployment Compensation Taxes – the significant decreases in FYs 25-32 reflect a reduced tax rate due to the low unemployment rate and the resulting shift from Contribution Rate Schedule D to Schedule C.

Special Fund Non-Tax Revenues

Federal Grants – the net increases in FYs 25-32 actual collections in FY 25 for bridge replacements (Department of Transportation (DOT)-Highways) and projected increases for Medicare payments in FYs 26-32 based on updated budget information (Department of Health (DOH)).

Other Agencies – the net increases in FYs 25-32 reflect an increase in payments based on approved directed payment arrangements with health plans to make payments to hospitals and nursing facilities (Department of Human Services (DHS)).

Charges for Current Services – the net decrease in FY 25 reflects lower tuition fee collections at UH-Hilo due to lower enrollment. Net increases in FYs 26-32 are attributed to the expansion of services and an increase in patient volumes. The increases are offset by decreases in the collection of fees for the administration of the high technology business investment tax credit based on FY 25 actual collections (TAX).

Charges for Current Services, Utilities – the net changes in FYs 25-27 reflect an adjustment for wharfage fees from FYs 25-26 and 27 (DOT-Harbors).

Other Than Special Fund Non-Tax Revenues

Use of Money and Property – the net increases in FY 26 are attributed to higher interest from accounts held for Hawai'i Housing and Finance Development Corporation, Department of Business, Economic Development and Tourism, and Unemployment Compensation Fund at the Department of Labor and Industrial Relations.

Federal Grants – the net decreases in FY 25 and increases in FYs 26-29 reflect the update with actual revenues and the revision of time frames for reimbursements for the Maui Wildfire Grant and other disaster assistance grants at the Department of Defense. The net decreases in FY 25 also reflect the close out of several federal grants for a water project at the Department of Hawaiian Home Lands (DHHL); however, the reductions are offset by net increases in FYs 26-29 from additional federal funds for a housing block grant at DHHL and higher than projected funding for the Safe Drinking Water Capitalization Grant at DOH in FYs 27-31. The increases in FYs 26-32 also reflect decreased funds for research and training at UH, but are also offset by projected increases in Pell/Free Application for Federal Student Aid grants.

COVID-19 Funds – the net decreases in FY 25 and increases in FYs 26 and 27 primarily reflect the revision of time frames for expenditure and reimbursement of the Coronavirus Capital Project Fund at B&F, changes in the time frame for COVID-19 hazard mitigation reimbursements, and the down revision of an infrastructure grant at UH.

Other Agencies – the net increases in FY 26 reflect additional dispositions at the Unclaimed Property Program at the Financial Administration Division, B&F.

Charges for Current Services – the net increases in FYs 25 and 26 primarily reflect increases for refunds, rebates from prescription drug plans, and network and performance guarantee payments on medical and dental plans from insurance carriers to the Hawai'i Employer-Union Health Benefits Trust Fund (EUTF) (B&F) and the update of actual funds received for the Medical Assistance Program at DHS and higher assessments received from employers for Workers' Compensation Insurance as required per Section 386-153, HRS.

Non-Revenue Receipts – the net decreases in FY 25 and increases in FY 26 reflect changes in the timing of collecting insurance policy claims from the 2023 Maui wildfires. The changes in the projected required employer contributions for health benefits premiums for retirees from the State and other public entities at EUTF (B&F). The increases are also offset in FYs 28-32 by decreases in projected grants and gifts for research projects at UH.

Transfers – the net increases in FYs 25 and 26 reflect anticipated general fund transfers to the Rental Housing Fund and Dwelling Unit Revolving Fund.