

Significant Changes from September 2020 Report

General Fund Non-Tax Revenues

Charges for Current Services – the net increases in FYs 23-27 are attributed to increases in anticipated central service assessments for special-funded programs (Department of Budget and Finance (B&F)).

Non-Revenue Receipts – the net increases in FYs 20-27 are reflective of a working capital loan in FY 21 (B&F) and transfers into the general fund from the Tax Administration Special Fund for FYs 21-27 (Department of Taxation (TAX)), Unclaimed Property Trust Fund in FY 21 (B&F), and Emergency and Budget Reserve Fund (EBRF) in FY 20 pursuant to Act 9, SLH 2020 (B&F).

Special Tax Revenues

Transfer of General Excise Tax – the increases in FYs 21-27 reflect revised estimates of general excise tax transfers to the Mass Transit Special Fund (MTSF) (B&F) based on the Council on Revenue's forecast from the meeting held on September 9, 2020.

Transfer of Transient Accommodations Tax (TAT) – the decrease in FY 21 is attributed to the continued suspension of the TAT transfer to the Tourism Special Fund due to the Governor's emergency proclamation (No. 6) to address COVID-19 (Department of Business, Economic Development and Tourism (DBEDT)) and reduced TAT collections for the MTSF (B&F). The increases in FYs 22-27 are based on the TAT collections forecast by the Council on Revenues at the September 9, 2020 meeting.

Rental Motor Vehicle Surcharge Tax – the revised FYs 21-27 estimates are based on the October 2020 reopening of out-of-state travel (Department of Transportation (DOT)-Highways).

Unemployment Compensation Taxes – the increase in FY 20 reflects the actual unemployment insurance tax collection (Department of Labor and Industrial Relations).

Special Fund Non-Tax Revenues

Charges for Current Services – the changes in FYs 21-27 are primarily attributed to the projected increase in revenues from large online service providers and retailers (TAX), reduced revenue projections due to dormitory renovations and dormitory social distancing requirements (University of Hawai'i (UH)), and an error correction in FY 24 (DBEDT-Hawai'i Community Development Authority).

Charges for Current Services, Utilities – the net increases in FYs 21-27 are primarily attributed to improved projections of wharfage revenues (DOT-Harbors).

Non-Revenue Receipts – the net increase in FY 20 is primarily attributed to the transfer of general funds and special funds to the EBRF pursuant to Act 4, SLH 2020, as amended by Act 9, SLH 2020 (B&F), and the decrease in FY 21 is primarily attributed to the reduction of UH bookstore receipts due to curtailed operations due to COVID-19.

Other Than Special Fund Non-Tax Revenues

Federal Grants – the net decrease in FY 20 largely reflects revenue estimates updated with actual amounts for various programs at the Department of Human Services (DHS). The net decrease in FY 21 primarily reflects lower than anticipated federal funding for medical assistance payments at the Health Care Payments program at DHS; however, there are expected increases for medical assistance payments in FYs 22-27 based on the higher capitation rates and enrollment due to COVID-19. In addition, there are expected increases in federal funds for: the Child Support Enforcement program in FY 21 at the Department of the Attorney General; water development grants in FYs 22 and 23 at the Department of Hawaiian Home Lands; the foster care program in the Child Protective Services program at DHS; the Lower Income Housing Assistance program in FYs 21-27 at DHS; and the Alcohol and Drug Abuse Division in FY 22 at the Department of Health (DOH). There are also projected decreases in funding for: reimbursements for operation, maintenance and repair costs for facilities in FYs 22 and 23 at the Department of Defense; and the Supplemental Nutrition Assistance Program (SNAP) funds in FY 22 at DOH. However, SNAP funds are expected to return to previous levels in FYs 23-27.

Federal COVID-19 Funds – the increase in FY 21 reflects additional federal funds from the Coronavirus Aid, Relief, and Economic Security Act at UH.

Charges for Current Services, Utilities – the net increase in FY 21 reflects an increase in refunds, rebates and coverage gap discount payments from prescription drug plans, and network and performance guarantee payments on medical and dental plans from insurance carriers to the Employer-Union Health Benefits Trust Fund (EUTF) (B&F). The net increases in FYs 22-27 reflect the projected increase in federal funds for medical assistance at the Health Care Payments program in DHS.

Non-Revenue Receipts – the net increase in FY 21 reflects anticipated contributions to be made by the County of Maui and Honolulu Authority for Rapid Transportation for other post-employment benefits to the EUTF (B&F).