

Significant Changes from May 2022 Report

General Fund Non-Tax Revenues

Charges for Current Services – the net increase in FY 22 is reflective of actual collections for reimbursements of prior year expenditures for the Department of Human Services (DHS). The increase is offset by net decreases in FYs 22-29 for reimbursements of health fund premiums from non-general funded programs (Department of Budget and Finance (B&F)) and reimbursements of projected costs of other post-employment benefits (OPEB) (B&F) based on FY 22 actual collections.

Non-Revenue Receipts – the net decrease in FY 22 is reflective of actual transfers into the general fund from the Tax Administration Special Fund (Department of Taxation (TAX)). The decrease is offset by anticipated increases in transfers into the general fund from the Tax Administration Special Fund in FYs 24-29.

Special Tax Revenues

Transfer of General Excise Tax (GET) – the decrease in FY 22 reflects actual GET transfers to the Mass Transit Special Fund (MTSF), and the changes in FYs 23-29 reflect revised estimates of GET transfers to the MTSF based on the Council on Revenues' forecast from the meeting held on May 23, 2022 (B&F).

Liquid Fuel, Highways – the increase in FY 22 reflects increased fuel consumption due to resumption of normal business operations, and the increases in FYs 23-29 reflect revised revenue projections (Department of Transportation (DOT)-Highways).

Transfer of Transient Accommodations Tax (TAT) – the increase in FY 22 reflects the actual transfer of TAT to the MTSF (B&F).

Vehicle Surcharge, Rental/Tour – the increase in FY 22 is due to high demand for rental cars after the loosening of travel restrictions, and the increases in FYs 23-29 reflect revised revenue projections (DOT-Airports).

Unemployment Compensation Taxes – the increase in FY 22 reflects the actual unemployment insurance (UI) tax collection, and the increases in FYs 23-29 reflect revised UI tax collection projections (Department of Labor and Industrial Relations (DLIR)).

Special Fund Non-Tax Revenues

Use of Money and Property – the net increase in FY 22 reflects actual revenues and includes an increase due to the resumption of percentage lease collections (Department of Land and Natural Resources). The decreases in FYs 23-29 primarily reflect the change in contract terms for the management of the Hawai'i Convention Center (Department of Business, Economic Development and Tourism (DBEDT)-Hawai'i Tourism Authority).

Federal Grants – the decrease in FY 22 reflects an update of actual revenues, and the increases in FYs 23-29 primarily reflect revised Medicare payment projections and revised projections for transportation and highway project funding (DOT-Highways).

Charges for Current Services – the net increase in FY 22 is primarily due to higher than anticipated contract rate reimbursement, and the FYs 23-29 revenues are revised projected reimbursements (Department of Health (DOH)-Hawai'i Health Systems Corporation).

Charges for Current Services, Utilities – the increase in FY 22 is primarily due to higher than projected wharfage revenues, and the FYs 23-29 revenues have been revised to reflect projected volume growth and annual tariff increases (DOT-Harbors).

Other Than Special Fund Non-Tax Revenues

Use of Money and Property – the net increase in FY 22 reflects the actual proceeds from bond issues for construction loans at the Hawai'i Housing Finance and Development Corporation (HHFDC) (B&F). The net increase in FY 29 reflects the estimated return on investment in subsequent years on OPEB contributions based on the current annual required contributions set by an actuary at the Hawai'i Employer-Union Health Benefits Trust Fund (EUTF) (B&F).

Federal Grants – the net increase in FY 22 reflects the update of actual federal grants for crime victim assistance at the Department of the Attorney General, disaster relief at the Department of Defense (DOD), federal medical assistance payments at DHS, substance abuse prevention at the Alcohol and Drug Abuse Division and supplemental nutrition assistance at Family Health Services at DOH, and extramural awards for research and training at the University of Hawai'i (UH). The net decrease in FY 23 primarily reflects the projected decrease in federal medical assistance payments at DHS and a decrease in grants for the rehabilitation and modernization of federally aided low-income housing projects for the departmental administration at the Hawai'i Public Housing Authority offset by increases in grants for disaster assistance; the Youth Opportunities program; and operation, maintenance, and repair costs for the Hawai'i Army and Air National Guards at DOD, substance abuse prevention and supplemental nutrition assistance at DOH, bus and bus facility rehabilitation at DOT, and various research and training grants at UH. The net increases in FYs 24-29 are primarily due to revised projections for federal medical assistance payments at DHS, additional grants for disaster assistance; the Youth Opportunities program; and operation, maintenance, and repair costs for the Hawai'i Army and Air National Guards at DOD, and various research and training grants at UH offset by a projected decrease in UI benefits at DLIR.

Federal COVID-19 Funds – the net decrease in FY 22 reflects actual Coronavirus Aid, Relief, and Economic Security Act funds for: Emergency Rental Assistance Program at B&F, disaster assistance relief at DOD, substance abuse prevention and treatment to address COVID-19 health disparities at DOH, UI benefits at DLIR, grants for rural public transportation at DOT, and the revision of scheduled amounts of drawdowns for student

aid and Higher Education Emergency Relief Funds at UH. The net increases in FYs 23-27 reflect the extension of COVID-19 expenditure deadlines for COVID-19 grants until FY 27.

Charges for Current Services – the net decrease in FY 22 reflects updates for federal medical assistance payments at DHS. The net increase in FY 23 reflects a general fund transfer to cover additional insurance premium costs to be incurred by the State at the Risk Management and Insurance Administration program at the Department of Accounting and General Services.

Non-Revenue Receipts – the net decreases in FYs 22-29 reflect a change in accounting reporting at HHFDC per GASB 91 that no longer includes proceeds from bond issues. This is offset by increases in the revised projections in employers' contributions for State, Hawai'i Public Charter Schools, City and County of Honolulu, Honolulu Board of Water Supply, County of Hawai'i (COH), County of Kaua'i, County of Maui, and COH Department of Water Supply for retiree's health benefits plans and additional extramural awards received at UH. In addition, FY 22 reflects lower than projected OPEB contributions due to some payments being received in July instead of June 2022 (B&F-EUTF).

Repayments – the net increase in FY 22 primarily reflects the update of actual revenues for: subsidizing the development of affordable rental housing; and proceeds from bond issues used to provide construction loans (DBEDT-HHFDC). The net decrease in FY 23 reflects the change in accounting reporting per GASB 91 as previously mentioned.

Transfers – the net increase in FY 22 reflects a transfer from general obligation bonds to the Dwelling Unit Revolving Fund (DBEDT-HHFDC).