



State Receipt and Revenue Plans

MULTI-YEAR FINANCIAL SUMMARY
TOTAL EXPENDITURES AND REVENUES
FISCAL YEARS 10 - 17
(in millions of dollars)

	Actual* <u>FY 10</u>	Estimated <u>FY 11</u>	Estimated <u>FY 12</u>	Estimated <u>FY 13</u>	Estimated <u>FY 14</u>	Estimated <u>FY 15</u>	Estimated <u>FY 16</u>	Estimated <u>FY 17</u>
REVENUES:								
Executive Branch:								
Tax Revenues	4,801.5	5,212.9	5,625.8	6,025.2	6,331.6	6,615.4	6,927.4	7,278.3
Nontax Revenues	3,673.0	3,576.3	3,631.9	3,475.9	3,518.6	3,551.4	3,636.3	3,620.7
Federal Funds	3,014.3	2,745.1	2,614.9	2,588.8	2,482.4	2,481.0	2,480.3	2,480.3
Judicial Branch Revenues	45.2	46.8	47.6	48.4	49.1	50.0	50.9	51.7
OHA Revenues	17.8	15.1	15.1	15.1	15.1	15.1	15.1	15.1
Other	-	75.2	25.2	38.2	38.5	40.0	29.7	29.4
Bond Receipts	1,981.5	762.1	1,325.3	918.5	502.0	640.0	354.0	350.0
TOTAL REVENUES	13,533.3	12,433.5	13,285.8	13,110.1	12,937.3	13,392.9	13,493.7	13,825.5
EXPENDITURES:								
Executive Branch:								
Operating	9,825.8	10,210.7	10,637.7	10,979.2	11,368.9	11,787.4	12,010.2	12,248.7
Capital Investment	1,177.4	1,819.6	1,343.7	687.5	534.1	262.5	213.3	139.3
Specific Appropriations	64.0	5.3	5.0	5.0	5.0	5.0	5.0	5.0
Sub-total	11,067.2	12,035.7	11,986.4	11,671.7	11,908.0	12,054.9	12,228.5	12,393.0
Legislative Branch	32.2	32.2	32.2	32.2	32.2	32.2	32.2	32.2
Judicial Branch	147.8	141.7	152.3	154.8	154.8	154.8	154.8	154.8
OHA	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3
Lapses	(544.0)	(65.0)	(65.0)	(65.0)	(65.0)	(65.0)	(65.0)	(65.0)
TOTAL EXPENDITURES	10,711.5	12,152.9	12,114.2	11,802.0	12,038.3	12,185.2	12,358.8	12,523.4
REVENUES OVER EXPEND.	2,821.8	280.6	1,171.6	1,308.0	899.0	1,207.7	1,134.9	1,302.1
CARRY-OVER BALANCE (DEFICIT)								
Beginning	2,880.3	5,702.1	5,982.7	7,154.3	8,462.3	9,361.3	10,569.0	11,703.9
Ending	5,702.1	5,982.7	7,154.3	8,462.3	9,361.3	10,569.0	11,703.9	13,006.0

* unaudited

MULTI-YEAR FINANCIAL SUMMARY
GENERAL FUND
FISCAL YEARS 10 - 17
(in millions of dollars)

	Actual* <u>FY 10</u>	Estimated <u>FY 11</u>	Estimated <u>FY 12</u>	Estimated <u>FY 13</u>	Estimated <u>FY 14</u>	Estimated <u>FY 15</u>	Estimated <u>FY 16</u>	Estimated <u>FY 17</u>
REVENUES:								
Executive Branch:								
Tax Revenues	4,363.4	4,451.9	4,897.0	5,190.9	5,502.3	5,832.4	6,182.4	6,553.3
Nontax Revenues	453.2	512.1	495.6	502.4	504.4	506.6	493.8	494.2
Judicial Branch Revenues	35.7	36.2	36.8	37.4	38.0	38.7	39.4	40.1
Other	-	75.2	25.2	38.2	38.5	40.0	29.7	29.4
TOTAL REVENUES	4,852.4	5,075.3	5,454.6	5,768.9	6,083.2	6,417.8	6,745.4	7,117.0
EXPENDITURES:								
Executive Branch:								
Operating	5,144.2	4,943.3	5,568.2	5,754.0	5,905.0	6,108.4	6,225.6	6,400.2
Specific Appropriations	64.0	5.3	5.0	5.0	5.0	5.0	5.0	5.0
Other	-	50.8	180.7	258.5	195.5	195.5	195.5	195.5
Sub-total	5,208.1	4,999.3	5,753.9	6,017.5	6,105.5	6,308.9	6,426.1	6,600.7
Legislative Branch	32.2	32.2	32.2	32.2	32.2	32.2	32.2	32.2
Judicial Branch	139.0	130.7	141.1	143.6	143.6	143.6	143.6	143.6
OHA	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Lapses	(544.0)	(65.0)	(65.0)	(65.0)	(65.0)	(65.0)	(65.0)	(65.0)
TOTAL EXPENDITURES	4,837.8	5,099.7	5,864.7	6,130.8	6,218.7	6,422.2	6,539.4	6,714.0
REVENUES OVER EXPEND.	14.6	(24.4)	(410.1)	(361.8)	(135.5)	(4.4)	206.1	403.0
CARRY-OVER BALANCE (DEFICIT)								
Beginning	(36.8)	(22.2)	(46.6)	(456.7)	(818.5)	(954.0)	(958.4)	(752.4)
Ending	(22.2)	(46.6)	(456.7)	(818.5)	(954.0)	(958.4)	(752.4)	(349.4)
Adjustment needed to balance financial plan		(71.6)	(410.1)	(361.8)	(135.5)	(4.4)		
Adjusted Ending Balance		25.0	25.0	25.0	25.0	25.0	231.0	634.0
Emergency & Budget Reserve Fund	62.5	46.3	53.8	61.3	68.8	76.3	83.8	91.4

* unaudited

**SUMMARY STATEMENT OF GENERAL FUND
EXPENDITURE CEILING AND APPROPRIATIONS**

A. Total State Personal Income and State Growth

1. Total State Personal Income (in \$ millions)

Calendar Year 2007	52,516
Calendar Year 2008	54,612
Calendar Year 2009	54,495
Calendar Year 2010*	55,585
Calendar Year 2011*	57,252

* As estimated by the Council on Revenues

2. State Growth

Fiscal Year 2012	1.93%
Fiscal Year 2013	1.59%

B. All Branches of State Government

1. General Fund Appropriations

Fiscal Year 2010	5,381,821,674
Fiscal Year 2011 (incl. proposed)	5,114,026,244
Fiscal Year 2012 (proposed)	5,749,016,289
Fiscal Year 2013 (proposed)	5,937,246,912

2. General Fund Expenditure Ceiling

Fiscal Year 2011	7,065,707,118
Fiscal Year 2012	7,201,771,664
Fiscal Year 2013	7,316,638,851

C. Executive Branch

1. Recommended General Fund Appropriations

Fiscal Year 2012	5,573,210,288
Fiscal Year 2013	5,758,975,211

2. Actual General Fund Appropriations

Fiscal Year 2010	5,208,144,765
Fiscal Year 2011	4,943,618,231

3. Proposed Add'l Appropriations FY 11

5,000,000

Total FY 2011

4,948,618,231

4. General Fund Appropriation Ceiling

Fiscal Year 2011	5,393,587,723
Fiscal Year 2012	5,043,913,929
Fiscal Year 2013	5,662,102,164

MULTI-YEAR FINANCIAL SUMMARY
FUND BALANCES OF SPECIAL FUNDS
FISCAL YEARS 10 - 17
(in millions of dollars)

	Actual** <u>FY 10</u>	Estimated <u>FY 11</u>	Estimated <u>FY 12</u>	Estimated <u>FY 13</u>	Estimated <u>FY 14</u>	Estimated <u>FY 15</u>	Estimated <u>FY 16</u>	Estimated <u>FY 17</u>
Transportation:								
Highways *	245.9	83.2	(19.9)	(61.7)	(74.6)	(44.1)	2.3	47.7
Airports	788.6	752.3	710.1	777.1	897.9	1,084.0	1,294.9	1,521.1
Harbors	176.7	143.6	131.2	137.3	150.5	177.2	204.4	232.4
Agriculture *	11.3	2.1	(8.1)	(18.2)	(28.4)	(38.5)	(48.6)	(58.7)
Business, Econ. Dev. & Tourism *	50.2	27.8	1.8	(18.5)	(5.9)	14.1	34.2	54.2
Commerce & Consumer Affairs *	50.0	38.0	31.5	24.7	18.5	12.5	6.0	(0.8)
Education	52.1	84.1	111.8	138.0	164.1	190.3	216.5	242.7
Health *	164.0	55.8	(37.6)	(130.8)	(208.7)	(286.3)	(350.3)	(414.3)
Labor & Industrial Relations	42.5	330.5	547.5	865.4	1,035.4	1,156.4	1,241.3	1,306.3
Land and Natural Resources *	48.2	27.0	7.7	(8.7)	(24.8)	(40.0)	(55.3)	(70.4)
University of Hawaii *	223.6	233.2	206.8	170.2	125.5	65.2	18.2	(27.4)
Others	161.0	167.5	173.7	180.7	188.4	196.2	209.1	222.2
TOTAL	2,014.0	1,945.1	1,856.6	2,055.3	2,238.1	2,486.9	2,772.8	3,054.9

* Revenue and expenditure projections will be reviewed.

** unaudited

MULTI-YEAR FINANCIAL SUMMARY
SPECIAL FUNDS
FISCAL YEARS 10 - 17
(in millions of dollars)

	Actual* <u>FY 10</u>	Estimated <u>FY 11</u>	Estimated <u>FY 12</u>	Estimated <u>FY 13</u>	Estimated <u>FY 14</u>	Estimated <u>FY 15</u>	Estimated <u>FY 16</u>	Estimated <u>FY 17</u>
REVENUES:								
Executive Branch:								
Tax Revenues	426.4	750.8	718.6	823.8	818.8	772.4	734.5	714.5
Nontax Revenues	1,899.6	1,798.4	1,814.9	1,713.2	1,723.2	1,748.0	1,787.0	1,804.1
Federal Funds	332.7	585.2	498.2	479.9	380.2	382.2	382.2	382.2
Judicial Branch Revenues	9.5	10.6	10.8	11.0	11.1	11.3	11.5	11.6
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TOTAL REVENUES	2,668.2	3,145.0	3,042.5	3,027.9	2,933.3	2,913.9	2,915.2	2,912.4
EXPENDITURES:								
Executive Branch:								
Operating	2,239.6	2,532.0	2,568.9	2,594.9	2,605.5	2,627.3	2,617.4	2,619.1
Capital Investment	464.3	671.2	551.0	223.4	134.1	26.9	1.0	0.3
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Sub-total	2,704.0	3,203.2	3,120.0	2,818.3	2,739.6	2,654.2	2,618.4	2,619.4
Judicial Branch	8.5	10.7	10.9	10.9	10.9	10.9	10.9	10.9
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Total Expenditures	2,712.5	3,213.9	3,130.9	2,829.2	2,750.5	2,665.1	2,629.3	2,630.3
REVENUES OVER EXPEND.	(44.3)	(68.9)	(88.4)	198.7	182.8	248.8	285.9	282.1
CARRY-OVER BALANCE (DEFICIT)								
Beginning	2,058.3	2,014.0	1,945.1	1,856.6	2,055.3	2,238.1	2,486.9	2,772.8
Ending	2,014.0	1,945.1	1,856.6	2,055.3	2,238.1	2,486.9	2,772.8	3,054.9

* unaudited

GENERAL FUND
MULTI-YEAR REVENUES FROM SOURCES OTHER THAN TAXES
FISCAL YEARS 10 - 17
(in thousands of dollars)

<u>Source</u>	<u>Actual*</u> <u>FY 10</u>	<u>Estimated</u> <u>FY 11</u>	<u>Estimated</u> <u>FY 12</u>	<u>Estimated</u> <u>FY 13</u>	<u>Estimated</u> <u>FY 14</u>	<u>Estimated</u> <u>FY 15</u>	<u>Estimated</u> <u>FY 16</u>	<u>Estimated</u> <u>FY 17</u>
Licenses & Permits	1,430	1,030	1,030	1,030	1,030	1,030	1,030	1,030
Revenues From Use of Money and Property	22,760	34,200	27,694	26,888	25,941	24,978	24,037	24,037
Federal	5,803	4,134	4,134	4,134	4,134	4,134	4,134	4,134
Other Agencies	15,239	16,152	16,152	16,147	16,147	16,147	2,505	2,505
Charges for Current Services	224,221	249,837	251,316	261,572	264,431	266,802	269,905	270,904
Fines, Forfeits & Penalties	465	390	360	390	360	390	360	360
Repayment of Loans & Advanc.	19,588	23,806	21,935	19,561	19,560	20,217	19,636	19,636
Other Revenues	163,661	182,776	173,054	172,665	172,554	172,554	172,554	172,554
Sub-total	453,167	512,325	495,675	502,387	504,157	506,252	494,161	495,160
Judicial Branch Revenues	35,749	35,915	36,666	37,441	38,237	39,054	39,054	39,054
TOTAL	488,916	548,240	532,341	539,828	542,394	545,306	533,215	534,214

* unaudited

SPECIAL REVENUE FUNDS
MULTI-YEAR REVENUES FROM TAXES
FISCAL YEARS 10 - 17
(in thousands of dollars)

<u>Source</u>	<u>Actual*</u> <u>FY 10</u>	<u>Estimated</u> <u>FY 11</u>	<u>Estimated</u> <u>FY 12</u>	<u>Estimated</u> <u>FY 13</u>	<u>Estimated</u> <u>FY 14</u>	<u>Estimated</u> <u>FY 15</u>	<u>Estimated</u> <u>FY 16</u>	<u>Estimated</u> <u>FY 17</u>
Transfer of Tobacco Tax	20,020	19,775	19,780	19,780	37,070	37,070	37,070	37,070
Liquid Fuel:								
Highway	81,271	87,679	88,334	88,995	89,661	90,555	91,232	91,232
Aviation	3,592	3,549	3,549	3,549	3,549	3,549	3,549	3,549
Small Boats	1,359	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Sub-total	86,222	92,628	93,283	93,944	94,610	95,504	96,181	96,181
Transfer of Trans. Accom. Tax	101,978	115,526	110,417	114,000	145,552	150,971	150,971	150,971
Motor Vehicle Weight Tax	32,937	34,248	34,676	35,109	35,548	35,992	36,442	36,442
Vehicle Registration Fee Tax	25,721	26,455	26,722	26,992	27,264	27,540	27,820	27,820
Vehicle Surcharge:								
Rental/Tour Vehicles	40,401	40,550	30,852	29,920	30,514	31,120	31,738	31,738
Environmental Response Tax	1,341	1,341	1,341	1,340	1,340	1,340	1,340	1,340
Unemployment Comp. Tax	103,252	408,000	389,000	490,000	434,000	380,000	340,000	320,000
Employment and Training	449	500	450	450	450	450	450	450
Election Campaign Contrib. T.F.	217	220	210	200	190	190	170	160
Transfer of Banks & fin. Corp. Tax	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Transfer of Conveyance Tax	22,418	18,600	18,800	19,300	19,500	19,500	19,500	19,500
Transfer of Ins. Premium Tax	1,181	1,200	1,300	1,300	1,300	1,300	1,300	1,300
TOTAL	438,137	761,043	728,831	834,335	829,338	782,977	744,982	724,972

* unaudited

SPECIAL FUNDS
MULTI-YEAR REVENUES FROM SOURCES OTHER THAN TAXES
FISCAL YEARS 10 - 17
(in thousands of dollars)

<u>Source</u>	<u>Actual*</u> <u>FY 10</u>	<u>Estimated</u> <u>FY 11</u>	<u>Estimated</u> <u>FY 12</u>	<u>Estimated</u> <u>FY 13</u>	<u>Estimated</u> <u>FY 14</u>	<u>Estimated</u> <u>FY 15</u>	<u>Estimated</u> <u>FY 16</u>	<u>Estimated</u> <u>FY 17</u>
Licenses & Permits	14,240	14,893	17,167	17,194	17,263	17,303	17,221	17,293
Revenues From Use of Money and Property	67,713	67,256	66,252	67,483	76,025	80,988	84,848	84,747
Federal	332,730	585,219	498,158	479,904	380,176	382,217	382,217	382,217
Other Agencies	41,842	55,306	40,306	40,306	40,306	40,306	53,948	53,948
Charges for Current Services: Utilities & Other Enterprises	383,296	429,991	490,078	527,482	568,415	589,986	605,178	620,226
Others	571,258	866,151	890,077	896,321	898,309	902,885	904,661	906,577
Fines, Forfeits & Penalties	8,591	4,037	3,879	3,896	3,914	3,932	3,950	3,950
Non-Revenue Receipts	812,655	360,797	307,182	160,545	118,921	112,618	117,224	117,375
Judicial Branch Revenues	9,521	10,630	10,787	10,951	11,120	11,291	11,466	11,644
TOTAL	2,241,847	2,394,280	2,323,887	2,204,082	2,114,449	2,141,526	2,180,713	2,197,977

* unaudited

SPECIAL REVENUE FUNDS - OTHER THAN SPECIAL FUNDS
MULTI-YEAR REVENUES FROM SOURCES OTHER THAN TAXES
FISCAL YEARS 10 - 17
(in thousands of dollars)

<u>Source</u>	<u>Actual*</u> <u>FY 10</u>	<u>Estimated</u> <u>FY 11</u>	<u>Estimated</u> <u>FY 12</u>	<u>Estimated</u> <u>FY 13</u>	<u>Estimated</u> <u>FY 14</u>	<u>Estimated</u> <u>FY 15</u>	<u>Estimated</u> <u>FY 16</u>	<u>Estimated</u> <u>FY 17</u>
Licenses & Permits	601	582	582	582	582	582	582	582
Revenues From Use of Money and Property	76,021	74,087	75,185	75,594	75,446	75,645	75,974	76,180
Federal	2,018,942	2,155,825	2,112,551	2,104,807	2,098,114	2,094,730	2,093,974	2,093,974
Federal-American Recovery & Reinvestment Act	656,861	390,184	48,124	3,184	-	-	-	-
Other Agencies	19,312	20,139	20,310	20,554	18,395	18,395	18,395	18,395
Charges for Current Services	183,777	134,705	115,906	117,428	117,521	114,209	114,280	114,371
Fines, Forfeits & Penalties	910	923	923	923	923	923	923	923
Repayment of Loans & Advances	28,809	43,613	56,390	75,155	74,311	46,799	67,202	32,743
Non-Revenue Receipts	1,016,533	995,635	1,056,173	974,199	1,008,215	1,044,711	1,081,954	1,082,383
OHA Revenues	17,790	15,100	15,100	15,100	15,100	15,100	15,100	15,100
TOTAL	4,019,556	3,830,793	3,501,244	3,387,526	3,408,607	3,411,094	3,468,384	3,434,651

* unaudited

**SCHEDULE OF PROJECTED DEBT SERVICE CHARGES FOR GENERAL OBLIGATION BONDS
ISSUED AND TO BE ISSUED BY JUNE 30, 2017**

(IN THOUSANDS)

Debt Service On Bonds Outstanding As of July 1, 2010				Debt Service On Bonds To Be Issued Through June 30, 2017			Total Estimated Debt Service		
Fiscal Year	Direct From General Fund	Reimbursable Debt Service	Total	Direct From General Fund	Reimbursable Debt Service	Total	Direct From General Fund	Reimbursable Debt Service	Total
2011-2012	479,454	39,441	518,895	40,685	4,521	45,206	520,139	43,962	564,101
2012-2013	551,704	35,939	587,643	72,579	8,064	80,643	624,283	44,003	668,286
2013-2014	550,623	35,015	585,638	98,566	10,952	109,518	649,189	45,967	695,156
2014-2015	582,925	34,709	617,634	131,234	14,582	145,815	714,159	49,291	763,449
2015-2016	536,420	33,124	569,544	167,927	18,659	186,585	704,347	51,783	756,129
2016-2017	549,160	32,728	581,888	202,747	22,527	225,274	751,907	55,255	807,162

Schedule of General Obligation Bond Sales:

Fiscal Year 2011-2012

First Half \$300,000

Second Half \$375,000

Fiscal Year 2012-2013

First Half \$300,000

Second Half \$325,000

Maturities of Bonds to be issued:

20 year serial bonds with principal repayment beginning the fourth year.

Method of Retirement:

Maturing in substantial equal installment of debt service (principal and interest)

Assumed Interest Rate: 5.25%

TENTATIVE SCHEDULE BY QUARTER AND FISCAL YEAR
OF THE AMOUNT OF GENERAL OBLIGATION BONDS AND REVENUE BONDS
TO BE ISSUED IN THE FISCAL BIENNIUM

<u>GENERAL OBLIGATION BONDS</u>			<u>AMOUNT</u>	<u>TOTAL</u>
FY 2011-2012 Quarters	Second		\$ 300,000,000	
	Fourth		<u>375,000,000</u>	\$ 675,000,000
FY 2012-2013 Quarters	Second		\$ 300,000,000	
	Fourth		<u>325,000,000</u>	<u>625,000,000</u>
TOTAL GENERAL OBLIGATION BONDS				<u>\$ 1,300,000,000</u>

REVENUE BONDS

FY 2011-2012 Quarters	First	Hawaii Housing Finance & Development Corporation	\$17,600,000	
	Second	DOT - Harbors	150,000,000	
	Second	Hawaii Housing Finance & Development Corporation	36,500,000	
	Second	University of Hawaii	10,160,000	
	Third	DOT - Airports	325,000,000	
	Fourth	Hawaii Community Development Authority	60,000,000	
	Fourth	Hawaii Health Systems Corporation - Other	1,000,000	
	Fourth	Hawaii Housing Finance & Development Corporation	<u>50,000,000</u>	\$650,260,000
FY 2012-2013 Quarters	First	Hawaii Health Systems Corporation - Other	\$ 4,500,000	
	Second	DOT - Highways	80,000,000	
	Second	Hawaii Health Systems Corporation - Other	4,000,000	
	Third	Hawaii Health Systems Corporation - Other	7,000,000	
	Fourth	Hawaii Community Development Authority	40,000,000	
	Fourth	Hawaii Health Systems Corporation - Maui Region	100,000,000	
	Fourth	Hawaii Health Systems Corporation - Other	8,000,000	
	Fourth	Hawaii Housing Finance & Development Corporation	<u>50,000,000</u>	293,500,000
TOTAL REVENUE BONDS				<u>\$943,760,000</u>

TENTATIVE SCHEDULE BY QUARTER AND FISCAL YEAR
OF THE AMOUNT OF GENERAL OBLIGATION BONDS
TO BE ISSUED FROM FISCAL YEAR 2011 TO FISCAL YEAR 2017

GENERAL OBLIGATION BONDS

<u>FY</u>	<u>Quarter</u>	<u>Description</u>	<u>Amount</u>	<u>Total</u>
Actual:				
FY 2009-2010	Third	Series DX (Build America Bonds), DY (Refunding Bonds)	\$ 721,625,000	\$ 721,625,000
Total General Obligation Bonds - Actual				<u>\$ 721,625,000</u>
Projected:				
FY 2010-2011	Fourth		\$ 550,000,000	\$ 550,000,000
FY 2011-2012	Second		\$ 300,000,000	\$ 675,000,000
	Fourth		375,000,000	
FY 2012-2013	Second		\$ 300,000,000	625,000,000
	Fourth		325,000,000	
FY 2013-2014	Second		\$ 150,000,000	300,000,000
	Fourth		150,000,000	
FY 2014-2015	Second		\$ 150,000,000	300,000,000
	Fourth		150,000,000	
FY 2015-2016	Second		\$ 150,000,000	300,000,000
	Fourth		150,000,000	
FY 2016-2017	Second		\$ 150,000,000	300,000,000
	Fourth		150,000,000	
Total General Obligation Bonds-Projected				<u>\$ 3,050,000,000</u>

TENTATIVE SCHEDULE BY QUARTER AND FISCAL YEAR
OF THE AMOUNT OF REVENUE BONDS
TO BE ISSUED FROM FISCAL YEAR 2012 TO FISCAL YEAR 2017

REVENUE BONDS

<u>FY</u>	<u>Quarter</u>	<u>Description</u>	<u>Amount</u>	<u>Total</u>
Actual:				
FY 2009-2010	Second	Hawaii Housing Finance & Development Corp. (Franciscan Vistas Ewa Series 2009 A)	\$ 20,800,000	
	Second	Hawaii Housing Finance & Development Corp. (Single Family New Issue Bond Pgm. Series 2009 A)	100,000,000	
	Fourth	DOT - Airports Series 2010 A & B	<u>644,980,000</u>	\$ 765,780,000
FY 2010-2011	Second	DOT - Harbors Series 2010 A & B	\$ 201,390,000	
	Second	University of Hawaii Series 2010 A-1 & B-1 (Build America Bonds) and 2010 A-2 & B-2	<u>292,730,000</u>	\$ 494,120,000
Total Revenue Bonds - Actual				<u>\$ 1,259,900,000</u>
Projected:				
FY 2010-2011	Third	Hawaii Health Systems Corp. - Maui Region	\$ 6,500,000	
	Third	DOT - Highways	80,000,000	
	Third	Hawaii Housing Finance & Development Corp.	66,000,000	
	Third	Hawaii Housing Finance & Development Corp.	17,100,000	
	Fourth	Hawaii Health Systems Corp. - Maui Region	12,500,000	
	Fourth	Hawaii Housing Finance & Development Corp.	<u>30,000,000</u>	\$ 212,100,000
FY 2011-2012	First	Hawaii Housing Finance & Development Corp.	\$ 17,600,000	
	Second	DOT - Harbors	150,000,000	
	Second	Hawaii Housing Finance & Development Corp.	36,500,000	
	Second	University of Hawaii	10,160,000	
	Third	DOT - Airports	325,000,000	
	Fourth	Hawaii Community Development Authority	60,000,000	
	Fourth	Hawaii Health Systems Corp. - Other	1,000,000	
	Fourth	Hawaii Housing Finance & Development Corp.	<u>50,000,000</u>	\$ 650,260,000
FY 2012-2013	First	Hawaii Health Systems Corp. - Other	\$ 4,500,000	
	Second	DOT - Highways	80,000,000	
	Second	Hawaii Health Systems Corp. - Other	4,000,000	
	Third	Hawaii Health Systems Corp. - Other	7,000,000	
	Fourth	Hawaii Community Development Authority	40,000,000	
	Fourth	Hawaii Health Systems Corp. - Maui Region	100,000,000	
	Fourth	Hawaii Health Systems Corp. - Other	8,000,000	
	Fourth	Hawaii Housing Finance & Development Corp.	<u>50,000,000</u>	\$ 293,500,000
FY 2013-2014	First	Hawaii Health Systems Corp. - Other	\$ 21,000,000	
	Second	Hawaii Community Development Authority	75,000,000	
	Second	Hawaii Health Systems Corp. - Other	21,000,000	
	Third	Hawaii Health Systems Corp. - Other	17,000,000	
	Fourth	Hawaii Health Systems Corp. - Other	18,000,000	
	Fourth	Hawaii Housing Finance & Development Corp.	<u>50,000,000</u>	\$ 202,000,000
FY 2014-2015	First	Hawaii Health Systems Corp. - Other	\$ 5,000,000	
	Second	DOT - Highways	80,000,000	
	Second	Hawaii Health Systems Corp. - Other	4,000,000	
	Third	Department of Hawaiian Homelands	45,000,000	
	Third	DOT - Harbors	150,000,000	
	Third	Hawaii Health Systems Corp. - Other	3,000,000	
	Fourth	Hawaii Health Systems Corp. - Other	3,000,000	
	Fourth	Hawaii Housing Finance & Development Corp.	<u>50,000,000</u>	\$ 340,000,000
FY 2015-2016	First	Hawaii Health Systems Corp. - Other	\$ 1,000,000	
	Second	Hawaii Health Systems Corp. - Other	1,000,000	
	Third	Hawaii Health Systems Corp. - Other	1,000,000	
	Fourth	Hawaii Health Systems Corp. - Other	1,000,000	
	Fourth	Hawaii Housing Finance & Development Corp.	<u>50,000,000</u>	\$ 54,000,000
FY 2016-2017	Fourth	Hawaii Housing Finance & Development Corp.	<u>\$ 50,000,000</u>	\$ 50,000,000
Total Revenue Bonds - Projected				<u>\$ 1,801,860,000</u>

DECLARATION OF FINDINGS

Pursuant to Section 37-71(d)(6) of the Hawaii Revised Statutes, the Director of Finance finds and declares that with respect to the proposed capital improvement appropriations for the budget period 2011-2013 for which the source of funding is general obligation bonds:

(1) Limitation on general obligation debt. Article VII, Section 13, of the State Constitution, states in part: "General obligation bonds may be issued by the State; provided that such bonds at the time of issuance would not cause the total amount of principal and interest payable in the current or any future fiscal year, whichever is higher, on such bonds and on all outstanding general obligation bonds to exceed ... a sum equal to eighteen and one-half percent of the average of the general fund revenues of the State in the three fiscal years immediately preceding such issuance." Article VII, Section 13, also provides that in determining the power of the State to issue general obligation bonds, certain bonds are excludable, including "reimbursable general obligation bonds issued for a public undertaking, improvement or system but only to the extent that reimbursements to the general fund are in fact made from the net revenue, or net user tax receipts, or combination of both, as determined for the immediately preceding fiscal year."

(2) Actual and estimated debt limits. The limit on principal and interest of general obligation bonds issued by the State, actual for fiscal year 2010-2011 and estimated for each fiscal year from fiscal year 2011-2012 to 2014-2015, is as follows:

<u>Fiscal Year</u>	<u>Net General Fund Revenues</u>	<u>Debt Limit</u>
2007-2008	5,222,739,619	
2008-2009	5,034,984,956	
2009-2010	4,841,194,658	
2010-2011	4,985,605,000	931,100,019
2011-2012	5,417,547,000	916,476,718
2012-2013	5,722,257,000	940,068,044
2013-2014	6,037,084,000	994,400,222
2014-2015	(not applicable)	1,059,241,427

For fiscal years 2010-2011, 2011-2012, 2012-2013, 2013-2014 and 2014-2015 respectively, the debt limit is derived by multiplying the average of the net general fund revenues for the three preceding fiscal years by eighteen and one-half percent. The net general fund revenues for fiscal years 2007-2008, 2008-2009 and 2009-2010 are actual, as certified by the Director of Finance in the Statement of the Debt Limit of the State of Hawaii as of July 1, 2010, dated November 23, 2010. The net general fund revenues for fiscal years 2010-2011 to 2013-2014 are estimates, based on general fund revenue estimates made as of September 10, 2010, by the Council On Revenues, the body assigned by Article VII, Section 7, of the State Constitution to make such estimates, and based on estimates made by the Department of Budget and Finance of those receipts which cannot be included as general fund revenues for the purpose of calculating the debt limit, all of which estimates the Director of Finance finds to be reasonable.

(3) Principal and interest on outstanding bonds applicable to the debt limit. In determining the power of the State to issue general obligation bonds for the fiscal years 2010-2011 to 2029-2030, the total amounts of principal and interest on outstanding general obligation bonds are as follows:

Fiscal Year Ending June 30	Gross			Excludable			Net Debt Service		
	Principal Payable	Interest Payable	Debt Service Payable	Principal Payable	Interest Payable	Debt Service Payable	Principal Payable	Interest Payable	Debt Service Payable
2011	102,265,000	217,618,115	319,883,115	10,888,628	2,795,957	13,684,585	91,376,372	214,822,158	306,198,530
2012	287,520,000	231,374,696	518,894,696	9,393,412	2,435,138	11,828,550	278,126,588	228,939,558	507,066,145
2013	371,230,000	216,412,841	587,642,841	6,393,408	2,036,478	8,429,886	364,836,592	214,376,363	579,212,955
2014	386,725,000	198,912,603	585,637,603	5,765,774	1,853,218	7,618,992	380,959,226	197,059,385	578,018,611
2015	436,755,000	180,878,825	617,633,825	5,684,380	1,694,914	7,379,294	431,070,620	179,183,911	610,254,531
2016	409,620,000	159,924,279	569,544,279	4,392,997	1,540,729	5,933,726	405,227,003	158,383,551	563,610,553
2017	441,250,000	140,637,655	581,887,655	4,162,432	1,409,788	5,572,219	437,087,568	139,227,867	576,315,435
2018	388,755,000	120,564,215	509,319,215	3,111,048	1,274,682	4,385,731	385,643,952	119,289,533	504,933,484
2019	338,730,000	103,999,526	442,729,526	2,230,352	1,153,278	3,383,630	336,499,648	102,846,248	439,345,896
2020	272,940,000	88,672,400	361,612,400	2,339,328	1,044,279	3,383,607	270,600,672	87,628,121	358,228,793
2021	219,995,000	76,806,775	296,801,775	2,453,591	930,000	3,383,591	217,541,409	75,876,774	293,418,183
2022	233,310,000	66,289,932	299,599,932	2,572,569	808,089	3,380,658	230,737,431	65,481,843	296,219,274
2023	226,270,000	55,262,114	281,532,114	2,700,670	680,029	3,380,698	223,569,330	54,582,085	278,151,415
2024	228,760,000	44,734,584	273,494,584	2,835,234	545,738	3,380,972	225,924,766	44,188,846	270,113,612
2025	198,380,000	34,392,609	232,772,609	2,976,674	404,301	3,380,975	195,403,326	33,988,307	229,391,634
2026	184,480,000	25,649,981	210,129,981	3,124,957	255,885	3,380,842	181,355,043	25,394,097	206,749,139
2027	142,940,000	17,440,908	160,380,908	1,135,554	100,184	1,235,738	141,804,446	17,340,724	159,145,170
2028	119,395,000	10,812,602	130,207,602	893,484	43,869	937,352	118,501,516	10,768,733	129,270,249
2029	92,585,000	5,387,806	97,972,806	0	0	0	92,585,000	5,387,806	97,972,806
2030	44,125,000	1,586,073	45,711,073	0	0	0	44,125,000	1,586,073	45,711,073

Additionally, the outstanding principal amount of bonds constituting instruments of indebtedness in which the State has incurred a contingent liability as a guarantor is \$183,500,000, all or a portion of which pursuant to Article VII, Section 13 of the State Constitution, is excludable in determining the power of the State to issue general obligation bonds.

(4) Amount of authorized and unissued general obligation bonds and proposed bonds. As calculated from the State Comptroller's bond fund report as of October 31, 2010, adjusted for (a) lapses proposed in THE EXECUTIVE BUDGET [Budget Period: 2011-2013] (referred to as the "Budget"), (b) unrecorded \$32,000,000 for the Series DS general obligation bonds, the total amount of authorized but unissued general obligation bonds is \$1,397,081,206. The amount of general obligation bonds proposed in the Budget is \$1,050,000,000 (but does not include capital improvement appropriations to be funded through the issuance of general obligation bonds proposed by the Judiciary). The total amount of general obligation bonds previously authorized and unissued and the general obligation bonds proposed in the Budget is \$2,447,081,206.

(5) Proposed general obligation bond issuance. As reported in the Budget, as it applies to the fiscal period 2010-2011 to 2014-2015, the State proposed to issue \$550,000,000 in general obligation bonds during the second half of fiscal year 2010-2011, \$300,000,000 in general obligation bonds during the first half of 2011-2012, \$375,000,000 in general obligation bonds during the second half of fiscal year 2011-2012, \$300,000,000 in general obligation bonds during the first half of fiscal year 2012-2013, \$325,000,000 in general obligation bonds during the second half of fiscal year 2012-2013, and \$150,000,000 in general obligation bonds semi annually during fiscal years 2013-2014

and 2014-2015. It is the practice of the State to issue twenty-year serial bonds with principal repayments beginning the fourth year, payable in substantially equal annual installments of principal and interest payment with interest payments commencing six months from the date of issuance and being paid semi-annually thereafter. It is assumed that this practice will continue to be applied to the bonds, which are proposed to be issued.

(6) Sufficiency of proposed general obligation bond issuance to meet the requirements of authorized and unissued bonds and the bonds proposed in the Budget. From the schedule reported in paragraph (5), the total amount of general obligation bonds, which the State proposes to issue during this fiscal year and in fiscal years 2011-2012, 2012-2013, 2013-2014, and 2014-2015, is \$2,450,000,000. The total amount of \$2,450,000,000 which is proposed to be issued through fiscal year 2014-2015 is sufficient to meet the requirements of the previously authorized and unissued bonds and the bonds proposed in the Budget, the total amount of which is \$2,447,081,206, as reported in paragraph (4). Thus, taking the Budget into account the amount of previously authorized and unissued bonds and bonds proposed versus the amount of bonds which is proposed to be issued by June 30, 2015, the Director of Finance finds that in the aggregate, the amount of bonds is sufficient to meet these requirements.

(7) Bonds excludable in determining the power of the State to issue bonds. As noted in paragraph (1), certain bonds are excludable in determining the power of the State to issue general obligation bonds. (A) General obligation reimbursable bonds can be excluded under certain conditions. It is not possible to make a conclusive determination as to the amount of reimbursable bonds which are excludable from the amount of each proposed bond issuance because:

(i) It is not known exactly when projects for which reimbursable bonds have been authorized in prior acts and in the Budget will be implemented and will require the application of proceeds from a particular bond issue; and

(ii) Not all reimbursable general obligation bonds may qualify for exclusion.

However, the Director of Finance notes that with respect to the principal and interest on outstanding general obligation bonds, as reported in Section 3 herein, the average proportion of principal and interest which is excludable each year from calculation against the debt limit is 1.41 percent for the ten years from fiscal year 2010-2011 to fiscal year 2019-2020. For the purpose of this declaration, the assumption is made that 1 percent of each bond issue will be excludable from the debt limit, an assumption which the Director of Finance finds to be reasonable and conservative. (B) Bonds constituting instruments of indebtedness under which the State incurs a contingent liability as a guarantor can be excluded but only to the extent the principal amount of such guaranties does not exceed seven percent of the principal amount of outstanding general obligation bonds not otherwise excluded under subparagraph (A) of this paragraph (7) and provided that the State shall establish and maintain a reserve in an amount in reasonable proportion to the outstanding loans guaranteed by the State as provided by law. According to the Department of Budget and Finance and the assumptions presented herein, the total principal amount of outstanding general obligation bonds and general obligation bonds proposed to be issued, which are not otherwise excluded under Article VII, Section 13 of the State Constitution for the fiscal years 2010-2011, 2011-2012, 2012-2013, 2013-2014 and 2014-2015 are as follows:

<u>Fiscal Year</u>	<u>Total amount of General Obligation Bonds not otherwise excluded by Article VII, Section 13 of the State Constitution</u>
2010-2011	5,670,530,000
2011-2012	6,338,780,000
2012-2013	6,957,530,000
2013-2014	7,254,530,000
2014-2015	7,551,530,000

Based on the foregoing and based on the assumption that the full amount of a guaranty is immediately due and payable when such guaranty changes from a contingent liability to an actual liability, the aggregate principal amount of the portion of the outstanding guaranties and the guaranties proposed to be incurred, which does not exceed seven percent of the average amount set forth in the last column of the above table and for which reserve funds have been or will have been established as heretofore provided by, can be excluded in determining the power of the State to issue general obligation bonds. As it is not possible to predict with a reasonable degree of certainty when a guaranty will change from a contingent liability to an actual liability, it is assumed in conformity with fiscal conservatism and prudence, that all guaranties not otherwise excluded pursuant to Article VII, Section 13 of the State Constitution will become due and payable in the same fiscal year in which the greatest amount of principal and interest on general obligation bonds, after exclusions, occurs. Thus, based on such assumptions and on the determination in paragraph (8), the aggregate principal amount of the portion of the outstanding guaranties; which must be included in determining the power of the State to issue general obligation bonds, is \$0.

(8) Determination whether the debt limit will be exceeded at the time of issuance. From the foregoing and on the assumption that the bonds identified in paragraph (5) will be issued at an interest rate of 5.25 percent thereafter, as reported in the Budget, it can be determined from the following schedule that the bonds which are proposed to be issued, which includes all bonds issued and outstanding, bonds previously authorized and unissued and the bonds proposed in the Budget, will not cause the debt limit to be exceeded at the time of each bond issuance:

<u>Time of Issue and Amount of Issue to be Counted Against Debt Limit</u>	<u>Debt Limit at Time of Issuance</u>	<u>Greatest Amount & Year of Principal & Interest</u>
2nd half FY 2010-2011 \$554,500,000	931,100,019	666,835,075 (2014-2015)
1st half FY 2011-2012 \$297,000,000	916,476,718	682,427,575 (2014-2015)
2nd half FY 2011-2012 \$371,250,000	916,476,718	701,918,200 (2014-2015)
1st half FY 2012-2013 \$297,000,000	940,068,044	719,548,492 (2016-2017)
2nd half FY 2012-2013 \$321,750,000	940,068,044	748,620,367 (2016-2017)
1st half FY 2013-2014 \$148,500,000	994,400,222	756,416,617 (2016-2017)
2nd half FY 2013-2014 \$148,500,000	994,400,222	764,212,867 (2016-2017)
1st half FY 2014-2015 \$148,500,000	1,059,241,427	772,009,117 (2016-2017)
2nd half FY 2014-2015 \$148,500,000	1,059,241,427	779,805,367 (2016-2017)

(9) Overall and concluding finding. From the facts, estimates, and assumptions stated in this declaration of findings, the conclusion is reached that the total amount of

principal and interest estimated for the general obligation bonds proposed in the Budget and for all bonds previously authorized and unissued and calculated for all bonds issued and outstanding and guaranties, will not cause the debt limit to be exceeded at the time of issuance.

The Director of Finance hereby finds that the bases for the declaration of findings set forth herein are reasonable. The assumptions set forth in this declaration with respect to the principal amount of general obligation bonds which will be issued, the amount of principal and interest on reimbursable general obligation bonds which are assumed to be excludable and the assumed maturity structure shall not be deemed to be binding, it being the understanding that such matters must remain subject to substantial flexibility.



Interim Director of Finance
State of Hawaii