



State Receipt and Revenue Plans

MULTI-YEAR FINANCIAL SUMMARY
TOTAL EXPENDITURES AND REVENUES
FISCAL YEARS 11 - 17
(in millions of dollars)

	Actual* <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	4,955.1	5,708.8	6,135.5	6,199.9	6,426.2	6,746.1	7,060.2
Nontax Revenues	3,855.7	3,867.1	3,660.7	3,701.8	3,742.3	3,725.9	3,776.2
Federal Funds	2,807.5	2,779.4	2,562.0	2,621.4	2,723.5	2,753.8	2,910.5
Judicial Branch Revenues	53.3	47.9	49.2	50.2	51.4	52.3	53.2
OHA Revenues	19.6	18.8	15.1	15.1	15.1	15.1	15.1
Other	-	117.5	7.6	7.5	7.5	8.2	6.8
Bond Receipts	576.4	1,434.1	1,316.3	1,377.5	1,110.0	440.0	360.0
TOTAL REVENUES	12,267.6	13,973.5	13,746.4	13,973.4	14,075.9	13,741.4	14,182.0
EXPENDITURES:							
Executive Branch:							
Operating	10,572.2	10,935.1	11,104.8	11,470.5	11,719.8	12,008.1	12,246.3
Capital Investment	1,044.5	1,942.0	1,804.6	1,026.8	255.1	162.2	84.6
Other	95.2	102.1	105.8	6.8	5.1	6.8	5.1
Sub-total	11,711.9	12,979.2	13,015.3	12,504.1	11,980.0	12,177.1	12,336.0
Legislative Branch	31.7	31.7	31.7	31.7	31.7	31.7	31.7
Judicial Branch	145.0	143.9	147.1	147.1	147.1	147.1	147.1
OHA	8.7	8.2	8.2	8.2	8.2	8.2	8.2
Lapses	(234.7)	(65.0)	(65.0)	(65.0)	(65.0)	(65.0)	(65.0)
TOTAL EXPENDITURES	11,662.6	13,098.0	13,137.3	12,626.2	12,102.0	12,299.1	12,458.0
REVENUES OVER EXPEND.	605.1	875.4	609.1	1,347.2	1,973.9	1,442.2	1,724.0
CARRY-OVER BALANCE (DEFICIT)							
Beginning	3,243.1	3,848.2	4,723.6	5,332.7	6,680.0	8,653.8	10,096.1
Ending	3,848.2	4,723.6	5,332.7	6,680.0	8,653.8	10,096.1	11,820.1

* unaudited

MULTI-YEAR FINANCIAL SUMMARY
GENERAL FUND
FISCAL YEARS 11 - 17
(in millions of dollars)

	Actual* <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	4,323.8	4,956.6	5,278.7	5,437.1	5,709.0	5,994.4	6,294.1
Nontax Revenues	752.0	513.9	511.4	509.7	514.7	504.8	509.7
Judicial Branch Revenues	41.1	36.8	37.4	38.0	38.7	39.4	40.1
Other		117.5	7.6	7.5	7.5	8.2	6.8
TOTAL REVENUES	5,116.9	5,624.7	5,835.1	5,992.4	6,269.9	6,546.7	6,850.6
EXPENDITURES:							
Executive Branch:							
Operating	4,943.3	5,362.3	5,590.2	5,890.7	6,077.7	6,252.1	6,426.9
Specific Appropriations	95.2	102.1	105.8	6.8	5.1	6.8	5.1
Other	-	(14.8)	-	-	-	-	-
Sub-total	5,038.5	5,449.6	5,695.9	5,897.5	6,082.8	6,258.9	6,432.0
Legislative Branch	31.7	31.7	31.7	31.7	31.7	31.7	31.7
Judicial Branch	130.7	132.7	134.5	134.5	134.5	134.5	134.5
OHA	2.5	2.4	2.4	2.4	2.4	2.4	2.4
Lapses	(234.7)	(65.0)	(65.0)	(65.0)	(65.0)	(65.0)	(65.0)
TOTAL EXPENDITURES	4,968.7	5,551.4	5,799.6	6,001.1	6,186.4	6,362.5	6,535.6
REVENUES OVER EXPEND.	148.2	73.3	35.6	(8.7)	83.5	184.2	315.0
CARRY-OVER BALANCE (DEFICIT)							
Beginning	(22.2)	126.0	199.3	234.9	226.1	309.6	493.8
Ending	126.0	199.3	234.9	226.1	309.6	493.8	808.8
<i>Emergency & Budget Reserve Fund**</i>	<i>9.7</i>	<i>25.5</i>	<i>69.2</i>	<i>76.7</i>	<i>84.2</i>	<i>91.8</i>	<i>99.3</i>

* unaudited

** reflects proposed recapitalization of EBRF in FY 12 and FY 13

**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 2008	55,296
Calendar Year 2009	54,786
Calendar Year 2010	56,811
Calendar Year 2011*	59,367
Calendar Year 2012*	61,742
* As estimated by the Council on Revenues	
2. State Growth	
Fiscal Year 2012	2.66%
Fiscal Year 2013	2.42%

B. All Branches of State Government

1. General Fund Appropriations	
Fiscal Year 2011	5,203,472,797
Fiscal Year 2012 (incl. proposed)	5,693,417,442
Fiscal Year 2013 (proposed)	5,831,841,910
2. General Fund Expenditure Ceiling	
Fiscal Year 2012	7,299,258,105
Fiscal Year 2013	7,476,216,925

C. Executive Branch

1. Recommended General Fund Appropriations	
Fiscal Year 2012	5,544,215,172
Fiscal Year 2013	5,690,885,616
2. Actual General Fund Appropriations	
Fiscal Year 2011	5,038,530,673
Fiscal Year 2012	5,443,934,015
Fiscal Year 2013	5,556,181,624
3. Proposed Add'l Appropriations FY 12	
Proposed Add'l Appropriations FY 13	100,281,157
	134,703,992
	Total FY 2012
	5,544,215,172
	Total FY 2013
	5,690,885,616
4. General Fund Appropriation Ceiling	
Fiscal Year 2012	5,172,679,491
Fiscal Year 2013	5,678,625,787

MULTI-YEAR FINANCIAL SUMMARY
 FUND BALANCES OF SPECIAL FUNDS
 FISCAL YEARS 11 - 17
 (in millions of dollars)

	Actual** <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 *	232.4	181.5	87.1	(67.2)	(56.7)	(13.2)	35.2
Airports	834.1	711.0	598.5	596.3	729.1	901.4	1,089.3
Harbors	209.3	195.0	184.3	186.8	212.2	238.3	265.0
Agriculture *	15.0	9.8	4.8	(0.5)	(5.7)	(14.4)	(23.0)
Business, Econ. Dev. & Tourism *	61.1	28.0	(3.5)	(32.8)	(60.1)	(61.7)	(58.2)
Commerce & Consumer Affairs *	39.2	30.4	24.4	17.6	10.6	1.9	(6.3)
Education	59.8	104.4	17.1	33.2	57.3	81.4	105.6
Health *	200.6	96.5	3.4	(62.7)	(128.6)	(180.8)	(233.0)
Labor & Industrial Relations	19.7	7.7	154.2	193.4	170.6	159.8	158.0
Land and Natural Resources *	51.3	29.2	11.1	(6.8)	(24.0)	(40.4)	(56.8)
University of Hawaii	279.9	346.9	284.8	225.8	169.6	116.0	64.9
Others	103.5	96.7	94.4	100.5	107.0	118.5	130.2
TOTAL	2,105.9	1,836.9	1,460.7	1,183.7	1,181.2	1,306.8	1,470.7

* Revenue and expenditure projections will be reviewed.

** unaudited

MULTI-YEAR FINANCIAL SUMMARY
SPECIAL FUNDS
FISCAL YEARS 11 - 17
(in millions of dollars)

	Actual* <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	617.6	741.9	846.2	752.2	706.6	741.2	755.6
Nontax Revenues	1,813.2	1,884.4	1,821.4	1,842.9	1,868.8	1,922.8	1,944.4
Federal Funds	441.6	510.3	295.4	295.6	297.7	297.7	297.7
Judicial Branch Revenues	12.2	11.1	11.8	12.2	12.7	12.9	13.1
TOTAL REVENUES	2,884.6	3,147.7	2,974.8	2,903.0	2,885.7	2,974.5	3,010.7
EXPENDITURES:							
Executive Branch:							
Operating	2,408.4	2,879.3	2,825.2	2,828.5	2,829.9	2,832.5	2,834.2
Capital Investment	411.5	526.4	513.5	339.3	46.0	4.0	0.3
Sub-total	2,819.9	3,405.8	3,338.7	3,167.8	2,875.9	2,836.5	2,834.5
Judicial Branch	14.3	10.9	12.3	12.3	12.3	12.3	12.3
Total Expenditures	2,834.2	3,416.7	3,351.0	3,180.1	2,888.2	2,848.8	2,846.8
REVENUES OVER EXPEND.	50.4	(269.0)	(376.2)	(277.1)	(2.5)	125.7	163.9
CARRY-OVER BALANCE (DEFICIT)							
Beginning	2,055.5	2,105.9	1,836.9	1,460.7	1,183.7	1,181.2	1,306.8
Ending	2,105.9	1,836.9	1,460.7	1,183.7	1,181.2	1,306.8	1,470.7

* unaudited

GENERAL FUND
MULTI-YEAR REVENUES FROM SOURCES OTHER THAN TAXES
FISCAL YEARS 11 - 17
(in thousands of dollars)

<u>Source</u>	Actual* <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>
Licenses & Permits	7,180	1,020	1,020	1,020	1,020	1,020	1,020
Revenues From Use of Money and Property	24,368	27,763	27,001	26,133	25,170	24,229	24,229
Federal	13,087	4,548	4,548	4,548	4,548	4,549	4,548
Other Agencies	14,178	27,677	27,672	16,171	16,170	2,528	2,528
Charges for Current Services	296,445	252,728	263,247	266,904	270,201	273,912	276,801
Fines, Forfeits & Penalties	478	435	465	435	465	435	435
Repayment of Loans & Advanc.	23,003	22,012	19,638	19,662	20,319	19,738	19,738
Other Revenues	373,269	177,673	167,817	174,860	176,823	178,354	180,359
Sub-total	752,008	513,856	511,408	509,733	514,716	504,765	509,658
Judicial Branch Revenues	41,135	36,757	37,391	38,036	38,695	39,366	40,051
TOTAL	793,143	550,613	548,799	547,769	553,411	544,131	549,709

* unaudited

SPECIAL REVENUE FUNDS
MULTI-YEAR REVENUES FROM TAXES
FISCAL YEARS 11 - 17
(in thousands of dollars)

<u>Source</u>	Actual* <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>
Transfer of Tobacco Tax	19,661	19,387	19,387	36,282	36,282	36,282	36,282
Liquid Fuel:							
Highway	89,599	91,813	93,187	94,581	95,996	97,433	98,891
Aviation	4,045	3,549	3,549	3,549	3,549	3,549	3,549
Small Boats	1,666	1,500	1,600	1,600	1,600	1,600	1,600
Sub-total	95,310	96,862	98,336	99,730	101,145	102,582	104,040
Transfer of Trans. Accom. Tax	121,776	103,000	103,000	103,000	103,000	130,076	133,082
Motor Vehicle Weight Tax	33,423	52,920	66,846	67,681	68,527	69,384	70,251
Vehicle Registration Fee Tax	26,053	38,210	46,894	47,311	47,732	48,157	48,586
Vehicle Surcharge:							
Rental/Tour Vehicles	43,892	44,960	45,632	46,315	47,007	47,710	48,419
Environmental Response Tax	8,400	8,341	8,340	8,340	8,340	1,340	1,340
Unemployment Comp. Tax	251,264	362,000	441,000	326,000	277,000	288,000	296,000
Employment and Training	1,409	1,800	-	800	800	800	800
Election Campaign Contrib. T.F.	223	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
Transfer of Conveyance Tax	26,379	21,100	23,775	23,775	23,775	23,775	23,775
Transfer of Ins. Premium Tax	1,496	1,400	1,400	1,400	1,400	1,400	1,400
TOTAL	631,286	752,190	856,810	762,824	717,198	751,676	766,135

* unaudited

SPECIAL FUNDS
MULTI-YEAR REVENUES FROM SOURCES OTHER THAN TAXES
FISCAL YEARS 11 - 17
(in thousands of dollars)

<u>Source</u>	Actual* <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>
Licenses & Permits	16,461	19,073	22,057	21,670	20,603	19,544	20,096
Revenues From Use of Money and Property	66,170	51,653	54,738	62,514	64,926	66,333	67,579
Federal	441,575	510,347	295,352	295,617	297,664	297,664	297,664
Other Agencies	38,749	54,034	29,074	40,586	40,585	54,227	54,227
Charges for Current Services: Utilities & Other Enterprises	439,745	423,303	503,810	534,518	575,096	605,576	620,278
Others	596,228	1,029,515	1,050,443	1,056,398	1,046,571	1,051,396	1,056,317
Fines, Forfeits & Penalties	6,216	4,554	4,034	4,135	4,229	4,274	4,321
Non-Revenue Receipts	649,597	302,275	157,224	123,111	116,807	121,413	121,564
Judicial Branch Revenues	12,158	11,110	11,814	12,237	12,665	12,859	13,057
TOTAL	2,266,898	2,405,863	2,128,544	2,150,786	2,179,146	2,233,286	2,255,103

* unaudited

SPECIAL REVENUE FUNDS - OTHER THAN SPECIAL FUNDS
MULTI-YEAR REVENUES FROM SOURCES OTHER THAN TAXES
FISCAL YEARS 11 - 17
(in thousands of dollars)

<u>Source</u>	Actual* <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>
Licenses & Permits	621	575	600	600	599	599	599
Revenues From Use of Money and Property	71,813	76,809	77,889	78,041	78,250	78,319	78,152
Federal	2,352,765	2,264,645	2,262,113	2,321,310	2,421,278	2,451,615	2,608,305
Federal-American Recovery & Reinvestment Act	468,808	144,704	33,866	24,498	-	-	-
Other Agencies	18,949	21,280	21,012	18,396	18,396	18,396	18,396
Charges for Current Services	152,184	130,008	116,974	121,240	124,862	121,525	120,590
Fines, Forfeits & Penalties	1,947	868	868	868	868	868	868
Repayment of Loans & Advances	49,528	40,774	67,252	92,681	97,513	41,280	65,209
Non-Revenue Receipts	1,008,533	1,203,115	1,047,791	1,041,853	1,042,844	1,041,922	1,042,854
OHA Revenues	19,615	18,755	15,100	15,100	15,100	15,100	15,100
TOTAL	4,144,763	3,901,533	3,643,465	3,714,587	3,799,710	3,769,624	3,950,073

* unaudited

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

GENERAL OBLIGATION BONDS

			<u>AMOUNT</u>	<u>TOTAL</u>
FY 2011-2012	Quarters	Fourth	-	\$ -
FY 2012-2013	Quarters	Second	\$ 325,000,000	
		Fourth	375,000,000	<u>700,000,000</u>
TOTAL GENERAL OBLIGATION BONDS				<u>\$ 700,000,000</u>

REVENUE BONDS

FY 2011-2012	Quarters	Second	Hawaii Housing Finance & Development Corp.	\$ 30,000,000	
		Third	Hawaii Health Systems Corporation - Maui Region	22,000,000	
		Third	Hawaii Housing Finance & Development Corp.	36,800,000	
		Third	University of Hawaii	9,000,000	
		Fourth	Hawaii Housing Finance & Development Corp.	<u>68,000,000</u>	\$ 165,800,000
FY 2012-2013	Quarters	First	Hawaii Housing Finance & Development Corp.	\$ 18,800,000	
		Second	Hawaii Housing Finance & Development Corp.	50,000,000	
		Third	DOT - Airports	387,500,000	
		Fourth	Hawaii Community Development Authority	60,000,000	
		Fourth	Hawaii Health Systems Corporation - Maui Region	<u>100,000,000</u>	616,300,000
TOTAL REVENUE BONDS					<u>\$ 782,100,000</u>

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

(IN THOUSANDS)

Fiscal Year	Debt Service On Bonds Outstanding As of July 1, 2011			Debt Service On Bonds To Be Issued Through June 30, 2017			Total Estimated Debt Service		
	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	384,749	38,558	423,307	108,899	12,100	120,999	493,648	50,658	544,306
2012-2013	560,160	35,939	596,099	42,562	4,729	47,291	602,722	40,668	643,390
2013-2014	559,079	35,015	594,094	117,397	13,044	130,441	676,476	48,059	724,535
2014-2015	591,381	34,709	626,090	95,630	10,626	106,256	687,011	45,335	732,346
2015-2016	544,641	33,124	577,765	146,241	16,249	162,490	690,882	49,373	740,255
2016-2017	557,107	32,728	589,835	149,534	16,615	166,149	706,641	49,343	755,984

Schedule of General Obligation Bond Sales:

Fiscal Year 2011-2012

First Half \$1,286,230,000 *

Second Half \$0

Fiscal Year 2012-2013

First Half \$325,000

Second Half \$375,000

Maturities of Bonds to be issued:

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

Method of Retirement:

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

Assumed Interest Rate: 5.25%

* Note: GO of 2011 Series DZ (\$800M) and Refunding Series EA, EB, EC,ED (\$486.2M) closed on December 7, 2011.

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

GENERAL OBLIGATION BONDS

<u>FY</u>	<u>Quarter</u>	<u>Description</u>	<u>Amount</u>	<u>Total</u>
Actual:				
FY 2010-2011	n/a	n/a	n/a	n/a
FY 2011-2012	Second	GO 2011 Series DZ (\$800M), Refunding Series EA,EB,EC, & ED (\$486.2M)	<u>\$ 1,286,230,000</u>	<u>\$ 1,286,230,000</u>
Total General Obligation Bonds - Actual				<u><u>\$ 1,286,230,000</u></u>
Projected:				
FY 2011-2012	Fourth		<u>\$ -</u>	\$ -
FY 2012-2013	Second Fourth		<u>\$ 325,000,000</u> <u>375,000,000</u>	700,000,000
FY 2013-2014	Second Fourth		<u>\$ 500,000,000</u> <u>350,000,000</u>	850,000,000
FY 2014-2015	Second Fourth		<u>\$ 500,000,000</u> <u>325,000,000</u>	825,000,000
FY 2015-2016	Second Fourth		<u>\$ 150,000,000</u> <u>150,000,000</u>	300,000,000
FY 2016-2017	Second Fourth		<u>\$ 150,000,000</u> <u>150,000,000</u>	<u>300,000,000</u>
Total General Obligation Bonds-Projected				<u><u>\$ 2,975,000,000</u></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 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	292,730,000	
	Fourth	Hawaii Housing Finance & Development Corp. (Ewa Villages Phase I) Series 2011A & B	16,300,000	
	Fourth	Hawaii Housing Finance & Development Corp. (Kuhio Park Terrace) Series 2011 A&B	<u>66,000,000</u>	\$ 576,420,000
FY 2011-2012	Second	DOT - Airports Refunding Series 2011	\$ 300,885,000	
	Second	Hawaii Housing Finance & Development Corp. (Single Family Mortgage Purchase Revenue Bonds) Series 2011 A&B, and Series 2009 A-1	50,000,000	
	Second	DOT - Highways Series 2011 A & B	<u>117,365,000</u>	\$ 468,250,000
Total Revenue Bonds - Actual				<u>\$ 1,044,670,000</u>
Projected:				
FY 2011-2012	Second	Hawaii Housing Finance & Development Corp.	\$ 30,000,000	
	Third	Hawaii Health Systems Corporation - Maui Region	22,000,000	
	Third	Hawaii Housing Finance & Development Corp.	36,800,000	
	Third	University of Hawaii	9,000,000	
	Fourth	Hawaii Housing Finance & Development Corp.	<u>68,000,000</u>	\$ 165,800,000
FY 2012-2013	First	Hawaii Housing Finance & Development Corp.	\$ 18,800,000	
	Second	Hawaii Housing Finance & Development Corp.	50,000,000	
	Third	DOT - Airports	387,500,000	
	Fourth	Hawaii Community Development Authority	60,000,000	
	Fourth	Hawaii Health Systems Corporation - Maui Region	<u>100,000,000</u>	\$ 616,300,000
FY 2013-2014	First	Hawaii Housing Finance & Development Corp.	\$ 10,000,000	
	Second	Hawaii Housing Finance & Development Corp.	50,000,000	
	Second	DOT - Highways	80,000,000	
	Third	DOT - Airports	<u>387,500,000</u>	\$ 527,500,000
FY 2014-2015	First	Hawaii Housing Finance & Development Corp.	\$ 10,000,000	
	Second	Hawaii Housing Finance & Development Corp.	50,000,000	
	Third	DOT - Harbors	150,000,000	
	Fourth	Hawaii Community Development Authority	<u>75,000,000</u>	\$ 285,000,000
FY 2015-2016	First	Hawaii Housing Finance & Development Corp.	\$ 10,000,000	
	Second	Hawaii Housing Finance & Development Corp.	50,000,000	
	Second	DOT - Highways	<u>80,000,000</u>	\$ 140,000,000
FY 2016-2017	First	Hawaii Housing Finance & Development Corp.	\$ 10,000,000	
	Second	Hawaii Housing Finance & Development Corp.	<u>50,000,000</u>	\$ 60,000,000
Total Revenue Bonds - Projected				<u>\$ 1,794,600,000</u>

DECLARATION OF FINDINGS

Pursuant to Section 37-72 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 2011-2012 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 2011-2012 and estimated for each fiscal year from fiscal year 2012-2013 to 2014-2015, is as follows:

<u>Fiscal Year</u>	<u>Net General Fund Revenues</u>	<u>Debt Limit</u>
2008-2009	5,034,984,956	
2009-2010	4,841,194,658	
2010-2011	5,102,646,283	
2011-2012	5,495,350,000	923,694,264
2012-2013	5,819,113,000	952,083,441
2013-2014	5,977,253,000	1,012,388,406
2014-2015	(not applicable)	1,066,322,487

For fiscal years 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 2008-2009, 2009-2010 and 2010-2011 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, 2011, dated November 9, 2011. The net general fund revenues for fiscal years 2011-2012 to 2013-2014 are estimates, based on general fund revenue estimates made as of September 8, 2011, 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 2012-2013 to 2031-2032, the total amount 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
2012	287,520,000	256,786,355	544,306,355	8,662,677	2,339,523	11,002,200	278,857,323	254,446,832	533,304,155
2013	374,030,000	260,828,337	634,858,337	6,393,408	2,036,478	8,429,886	367,636,592	258,791,858	626,428,451
2014	432,315,000	242,344,914	674,659,914	5,765,774	1,853,218	7,618,992	426,549,226	240,491,696	667,040,922
2015	413,960,000	223,886,285	637,846,285	5,684,380	1,694,914	7,379,294	408,275,620	222,191,371	630,466,991
2016	408,405,000	203,224,507	611,629,507	4,392,997	1,540,729	5,933,726	404,012,003	201,683,778	605,695,781
2017	428,200,000	183,408,823	611,608,823	4,162,432	1,409,788	5,572,219	424,037,568	181,999,035	606,036,604
2018	419,750,000	163,388,649	583,138,649	3,111,048	1,274,682	4,385,731	416,638,952	162,113,966	578,752,918
2019	372,820,000	144,715,366	517,535,366	2,230,352	1,153,278	3,383,630	370,589,648	143,562,088	514,151,736
2020	311,960,000	127,293,807	439,253,807	2,339,328	1,044,279	3,383,607	309,620,672	126,249,528	435,870,199
2021	262,130,000	113,194,784	375,324,784	2,453,591	930,000	3,383,591	259,676,409	112,264,784	371,941,193
2022	277,305,000	100,344,300	377,649,300	2,572,569	808,089	3,380,658	274,732,431	99,536,210	374,268,642
2023	271,955,000	87,158,813	359,113,813	2,700,670	680,029	3,380,698	269,254,330	86,478,785	355,733,115
2024	276,700,000	73,881,232	350,581,232	2,835,234	545,738	3,380,972	273,864,766	73,335,494	347,200,260
2025	248,375,000	61,067,820	309,442,820	2,976,674	404,301	3,380,975	245,398,326	60,663,518	306,061,845
2026	237,005,000	49,174,104	286,179,104	3,124,957	255,885	3,380,842	233,880,043	48,918,219	282,798,262
2027	198,125,000	37,639,204	235,764,204	1,135,554	100,184	1,235,738	196,989,446	37,539,019	234,528,466
2028	177,390,000	27,489,433	204,879,433	893,484	43,869	937,352	176,496,516	27,445,564	203,942,081
2029	153,530,000	18,353,370	171,883,370	0	0	0	153,530,000	18,353,370	171,883,370
2030	108,195,000	10,619,763	118,814,763	0	0	0	108,195,000	10,619,763	118,814,763
2031	67,260,000	4,988,675	72,248,675	0	0	0	67,260,000	4,988,675	72,248,675
2032	70,550,000	1,699,725	72,249,725	0	0	0	70,550,000	1,699,725	72,249,725

Additionally, the outstanding principal amount of bonds constituting instruments of indebtedness in which the State has incurred a contingent liability as a guarantor is \$233,500,000, 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, 2011, adjusted for (a) appropriations made in Acts 164 and 61, Session Laws of Hawaii 2011, to be expended in fiscal year 2012-2013 (b) lapses proposed in THE EXECUTIVE BUDGET SUPPLEMENTAL [Budget Period: 2011-2013] (referred to as the "Budget") the total amount of authorized but unissued general obligation bonds amounts to \$2,447,514,421. The amount of general obligation bonds proposed in the Budget is \$300,000,000 (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 \$2,359,595,421.

(5) Proposed general obligation bond issuance. As reported in the Budget, as it applies to the fiscal period 2011-2012 to 2014-2015, the State proposed to issue \$0 in general obligation bonds during the remainder of fiscal year 2011-2012, \$325,000,000 in general obligation bonds during the first half of fiscal year 2012-2013, and \$375,000,000 in general obligation bonds during the second half of fiscal year 2012-2013, \$500,000,000 in general obligation bonds during the first half of fiscal year 2013-2014, and \$350,000,000 in general obligation bonds during the second half of fiscal year 2013-2014, \$500,000,000 in general obligation bonds during the first half of fiscal year 2014-2015 and \$325,000,000 in general obligation bonds during the second half of fiscal

year 2014-2015. It is the practice of the State to issue twenty-year serial bonds with principal repayments beginning the fifth 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 2012-2013, 2013-2014, and 2014-2015, is \$2,375,000,000. The total amount of \$2,375,000,000 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 \$2,359,595,421 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 1.074 percent for the ten years from fiscal year 2011-2012 to fiscal year 2020-2021. 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 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>
2011-2012	5,797,480,000
2012-2013	6,168,730,000
2013-2014	7,010,230,000
2014-2015	7,826,980,000

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 2011-2012 \$0	923,694,264	674,659,914 (2013-2014)
1st half FY 2012-2013 \$321,750,000	952,083,441	683,105,852 (2013-2014)
2nd half FY 2012-2013 \$371,250,000	952,083,441	674,659,914 (2013-2014)
1st half FY 2013-2014 \$495,000,000	1,012,388,406	674,659,914 (2013-2014)
2nd half FY 2013-2014 \$346,500,000	1,012,388,406	675,298,882 (2015-2016)
1st half FY 2014-2015 \$495,000,000	1,066,322,487	701,265,698 (2016-2017)
2nd half FY 2014-2015 \$321,750,000	1,066,322,487	718,157,573 (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.



Director of Finance
State of Hawaii