



State Receipt and Revenue Plans

MULTI-YEAR FINANCIAL SUMMARY
TOTAL EXPENDITURES AND REVENUES
FISCAL YEARS 17 - 23
(in millions of dollars)

	Estimated <u>FY 17</u>	Estimated <u>FY 18</u>	Estimated <u>FY 19</u>	Estimated <u>FY 20</u>	Estimated <u>FY 21</u>	Estimated <u>FY 22</u>	Estimated <u>FY 23</u>
REVENUES:							
Executive Branch:							
Tax Revenues	6,968.0	7,236.2	7,525.5	7,809.4	8,096.7	8,394.8	8,705.1
Nontax Revenues	5,471.6	5,330.3	5,246.8	5,355.2	5,451.4	5,561.0	5,615.7
Federal Funds	2,905.5	3,030.7	3,008.5	2,987.3	2,982.0	2,977.9	2,977.9
Judicial Branch Revenues	42.7	47.3	48.0	48.6	49.1	49.7	50.3
OHA Revenues	41.9	42.8	42.8	42.8	42.8	42.8	42.8
Other	-	(33.9)	(6.8)	26.4	28.0	27.0	25.9
Bond Receipts	578.0	1,439.6	1,954.1	1,738.0	1,251.0	721.0	766.0
TOTAL REVENUES	16,007.7	17,092.9	17,819.0	18,007.7	17,901.0	17,774.1	18,183.7
EXPENDITURES:							
Executive Branch:							
Operating	13,119.0	14,110.5	14,394.4	14,703.5	15,067.8	15,363.5	15,684.6
Capital Investment	1,625.97	3,099.87	2,907.69	1,637.00	762.12	206.09	82.46
Other	503.6	5.0	247.6	296.8	354.2	369.7	369.7
Sub-total	15,248.6	17,215.4	17,549.7	16,637.3	16,184.1	15,939.3	16,136.8
Legislative Branch	41.1	41.1	41.1	41.1	41.1	41.1	41.1
Judicial Branch	173.1	178.4	183.8	184.6	184.8	184.8	184.8
OHA	44.6	46.2	46.1	47.0	47.0	47.0	47.0
Lapses	(275.2)	(80.0)	(80.0)	(80.0)	(80.0)	(80.0)	(80.0)
TOTAL EXPENDITURES	15,232.2	17,401.1	17,740.7	16,830.0	16,377.0	16,132.2	16,329.7
REVENUES OVER EXPEND.	775.4	(308.1)	78.3	1,177.8	1,524.0	1,642.0	1,854.1
CARRY-OVER BALANCE (DEFICIT)							
Beginning	9,393.0	10,168.5	9,860.3	9,938.6	11,116.4	12,640.4	14,282.3
Ending	10,168.5	9,860.3	9,938.6	11,116.4	12,640.4	14,282.3	16,136.4

MULTI-YEAR FINANCIAL SUMMARY
GENERAL FUND
FISCAL YEARS 17 - 23
(in millions of dollars)

	<u>Actual*</u> <u>FY 17</u>	<u>Estimated</u> <u>FY 18</u>	<u>Estimated</u> <u>FY 19</u>	<u>Estimated</u> <u>FY 20</u>	<u>Estimated</u> <u>FY 21</u>	<u>Estimated</u> <u>FY 22</u>	<u>Estimated</u> <u>FY 23</u>
REVENUES:							
Executive Branch:							
Tax revenues	6,315.2	6,586.8	6,870.0	7,144.8	7,430.6	7,727.8	8,036.9
Nontax revenues	1,003.4	739.5	762.1	805.9	841.6	856.9	873.9
Judicial Branch revenues	33.0	36.5	37.2	37.8	38.3	38.9	39.5
Other revenues	0.0	(33.9)	(6.8)	26.4	28.0	27.0	25.9
TOTAL REVENUES	7,351.6	7,328.9	7,662.5	8,014.8	8,338.5	8,650.7	8,976.3
EXPENDITURES							
Executive Branch:							
Operating	7,036.6	7,248.4	7,442.9	7,789.8	8,028.6	8,214.0	8,402.8
CIP	14.3	10.5	11.2	11.2	11.2	11.2	11.2
Specific appropriation/CB	503.6	112.8	239.5	294.7	352.1	367.6	367.6
Other expenditures/adjustments	0.0	(107.8)	8.1	2.1	2.1	2.1	2.1
Sub-total - Exec Branch	7,554.5	7,263.9	7,701.6	8,097.8	8,394.0	8,594.8	8,783.6
Legislative Branch	41.1	41.1	41.1	41.1	41.1	41.1	41.1
Judicial Branch	162.3	165.7	171.0	171.8	172.0	172.0	172.0
OHA	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Counties	-	-	-	-	-	-	-
Lapses	(275.2)	(80.0)	(80.0)	(80.0)	(80.0)	(80.0)	(80.0)
TOTAL EXPENDITURES	7,485.6	7,393.6	7,836.7	8,233.7	8,530.1	8,730.9	8,919.7
REV. OVER (UNDER) EXPEND.	(134.0)	(64.7)	(174.2)	(218.8)	(191.6)	(80.3)	56.6
CARRY-OVER BALANCE (DEFICIT)							
Beginning	1,027.8	893.8	829.1	654.9	436.0	244.4	164.2
Ending	893.8	829.1	654.9	436.0	244.4	164.2	220.8
GF reserves (5% of prior yr revenues)	354.1	367.6	366.4	383.1	400.7	416.9	432.5
END BAL LESS GF RESERVES	539.7	461.5	288.4	52.9	(156.3)	(252.8)	(211.8)
<i>EBRF (add'l \$1M FY16, \$201.4M FY17)</i>	311.3	319.7	328.3	336.8	345.3	353.8	362.3
<i>EBRF fund balance as % of prior yr revenues</i>	4.40%	4.35%	4.48%	4.40%	4.31%	4.24%	4.19%

* unaudited

Note: Due to rounding, details may not add to totals.

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

A. Total State Personal Income and State Growth

Total State Personal Income (in \$ millions)

Calendar Year 2013	62,784
Calendar Year 2014	66,122
Calendar Year 2015	69,638
Calendar Year 2016	71,946
Calendar Year 2017*	74,104

* As estimated by the Council on Revenues Nov. 2017

State Growth

Fiscal Year 2018	4.65%
Fiscal Year 2019	3.88%

B. All Branches of Government

General Fund Appropriations

Fiscal Year 2017	7,760,807,209
Fiscal Year 2018 (incl proposed)	7,563,832,938
Fiscal Year 2019 (incl proposed)	7,874,383,165

General Fund Expenditure Ceiling

Fiscal Year 2018	8,524,005,593
Fiscal Year 2019	8,854,501,921

C. Executive Branch

Recommended General Fund Appropriations

Fiscal Year 2018	7,376,016,868
Fiscal Year 2019	7,698,699,216

Actual and Proposed General Fund Appropriations

Fiscal Year 2017	7,553,592,420
------------------	---------------

Fiscal Year 2018	7,364,965,229
Proposed add'l appropriations	11,051,639
Total - FY 2018 apprms	7,376,016,868

Fiscal Year 2019	7,665,740,429
Proposed add'l appropriations	32,958,787
Total - FY 2019 apprms	7,698,699,216

General Fund Appropriation Ceiling

Fiscal Year 2018	7,904,774,982
Fiscal Year 2019	7,662,002,894

MULTI-YEAR FINANCIAL SUMMARY
 FUND BALANCES OF SPECIAL FUNDS
 FISCAL YEARS 17 - 23
 (in millions of dollars)

	Actual* <u>FY 17</u>	Estimated <u>FY 18</u>	Estimated <u>FY 19</u>	Estimated <u>FY 20</u>	Estimated <u>FY 21</u>	Estimated <u>FY 22</u>	Estimated <u>FY 23</u>
Transportation:							
Highways/Administration **	322.1	126.4	(144.9)	(361.1)	(453.3)	(424.8)	(367.6)
Airports	1,095.1	982.0	831.3	838.1	912.5	995.7	1,102.0
Harbors	291.0	296.9	318.5	342.1	368.8	401.0	437.6
Agriculture **	26.4	19.5	13.6	7.8	2.0	(3.8)	(9.7)
Business, Econ. Dev. & Tourism	97.7	8.0	(81.5)	(176.7)	(271.7)	(366.6)	(461.3)
Commerce & Consumer Affairs	90.4	80.9	75.6	69.5	62.5	57.2	51.0
Education	110.9	90.7	70.6	50.5	30.4	10.3	(9.8)
Health**	194.2	152.7	111.3	69.8	28.5	(12.8)	(53.9)
HHSC	58.1	72.3	97.1	121.9	146.7	171.5	196.3
Labor & Industrial Relations	13.4	15.1	16.8	18.5	20.2	22.0	23.7
Land and Natural Resources **	86.9	68.0	36.7	20.7	4.8	(11.0)	(26.9)
University of Hawaii**	62.0	0.5	(62.7)	(38.6)	(10.2)	18.0	45.7
Others	449.9	519.2	595.9	672.6	749.3	826.1	902.8
TOTAL	2,898.1	2,432.3	1,878.5	1,635.1	1,590.5	1,682.6	1,829.9

* unaudited

** Revenue and expenditure projections will be reviewed.

Note: Due to rounding, details may not add to totals

MULTI-YEAR FINANCIAL SUMMARY
SPECIAL FUNDS
FISCAL YEARS 17 - 23
(in millions of dollars)

	Estimated <u>FY 17</u>	Estimated <u>FY 18</u>	Estimated <u>FY 19</u>	Estimated <u>FY 20</u>	Estimated <u>FY 21</u>	Estimated <u>FY 22</u>	Estimated <u>FY 23</u>
REVENUES:							
Executive Branch:							
Tax Revenues	447.8	449.2	450.4	451.5	453.0	453.9	455.1
Nontax Revenues	2,166.2	2,098.5	2,162.1	2,194.2	2,250.3	2,265.4	2,291.3
Federal Funds	139.2	289.1	289.8	290.4	291.0	291.6	292.1
Judicial Branch Revenues	9.7	10.8	10.8	10.8	10.8	10.8	10.8
TOTAL REVENUES	2,763.1	2,847.6	2,913.1	2,946.9	3,004.8	3,021.7	3,049.3
EXPENDITURES:							
Executive Branch:							
Operating	2,889.6	2,889.0	2,956.2	2,840.0	2,861.0	2,857.7	2,860.8
Capital Investment	362.6	412.0	498.3	337.9	176.0	59.4	28.8
Sub-total	3,252.2	3,301.0	3,454.5	3,177.8	3,037.0	2,917.2	2,889.6
Judicial Branch	10.5	12.4	12.4	12.4	12.4	12.4	12.4
Total Expenditures	3,262.7	3,313.4	3,466.9	3,190.3	3,049.4	2,929.6	2,902.0
REVENUES OVER EXPEND.	(499.6)	(465.7)	(553.8)	(243.4)	(44.6)	92.1	147.3
CARRY-OVER BALANCE (DEFICIT)							
Beginning	3,397.6	2,898.1	2,432.3	1,878.5	1,635.1	1,590.5	1,682.6
Ending	2,898.1	2,432.3	1,878.5	1,635.1	1,590.5	1,682.6	1,829.9

GENERAL FUND
MULTI-YEAR REVENUES FROM SOURCES OTHER THAN TAXES
FISCAL YEARS 17 - 23
(in thousands of dollars)

<u>Source</u>	Actual* <u>FY 17</u>	Estimated <u>FY 18</u>	Estimated <u>FY 19</u>	Estimated <u>FY 20</u>	Estimated <u>FY 21</u>	Estimated <u>FY 22</u>	Estimated <u>FY 23</u>
Licenses & Permits	1,070	1,025	1,010	1,010	1,010	1,010	1,010
Revenues From Use of Money and Property	21,735	24,512	21,938	20,721	19,450	18,087	16,645
Federal	8,530	12,410	12,055	11,668	11,235	11,185	11,185
Other Agencies	3,010	3,004	3,004	3,004	3,004	3,004	3,004
Charges for Current Services	534,268	396,132	423,728	431,301	439,155	448,100	458,854
Fines, Forfeits & Penalties	2,767	2,036	2,056	2,036	2,056	2,036	2,056
Repaymnt of Loans & Advances	20,638	19,136	21,720	22,934	24,222	25,585	27,029
Other Revenues	411,366	281,228	276,575	313,194	341,458	347,901	354,137
Sub-total	1,003,385	739,483	762,086	805,868	841,590	856,908	873,920
Judicial Branch Revenues	33,036	33,017	33,017	33,017	33,017	33,017	33,017
TOTAL	1,036,421	772,500	795,103	838,885	874,607	889,925	906,937

SPECIAL REVENUE FUNDS
MULTI-YEAR REVENUES FROM TAXES
FISCAL YEARS 17 - 23
(in thousands of dollars)

<u>Source</u>	Actual* <u>FY 17</u>	Estimated <u>FY 18</u>	Estimated <u>FY 19</u>	Estimated <u>FY 20</u>	Estimated <u>FY 21</u>	Estimated <u>FY 22</u>	Estimated <u>FY 23</u>
Transfer of Tobacco Tax	41,350	41,052	40,908	40,765	40,622	40,482	40,342
Liquid Fuel:							
Highway	83,270	83,686	84,103	84,522	84,944	85,367	85,793
Aviation	2,059	2,227	2,227	2,227	2,227	2,227	2,227
Small Boats	1,662	1,600	1,600	1,600	1,600	1,600	1,600
Sub-total	86,992	87,513	87,930	88,349	88,771	89,194	89,620
Transfer of Trans. Accom. Tax	110,900	111,500	111,500	111,500	111,500	111,500	111,500
Motor Vehicle Weight Tax	81,522	81,930	82,339	82,751	83,165	83,580	83,998
Vehicle Registration Fee Tax	51,452	51,681	51,911	52,142	52,374	52,607	52,841
Vehicle Surcharge:							
Rental/Tour Vehicles	53,187	53,453	53,720	53,989	54,529	54,530	54,802
Environmental Response Tax	11,404	9,800	9,800	9,700	9,700	9,700	9,700
Unemployment Comp. Tax S.F.	362						
Unemployment Comp. Tax T.F.	165,522	170,000	175,000	183,000	183,000	183,000	183,000
Employment and Training	978	1,349	1,349	1,349	1,349	1,349	1,349
Election Campaign Contrib. T.F.	164	150	140	130	130	130	130
Transfer of Banks & fin. Corp. Tax	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Transfer of Conveyance Tax	44,800	36,800	36,800	36,800	36,800	36,800	36,800
Transfer of Ins. Premium Tax	2,148	2,150	2,150	2,150	2,150	2,150	2,150
TOTAL	652,781	649,377	655,547	664,624	666,090	667,022	668,232

SPECIAL FUNDS
MULTI-YEAR REVENUES FROM SOURCES OTHER THAN TAXES
FISCAL YEARS 17 - 23
(in thousands of dollars)

<u>Source</u>	Actual* <u>FY 17</u>	Estimated <u>FY 18</u>	Estimated <u>FY 19</u>	Estimated <u>FY 20</u>	Estimated <u>FY 21</u>	Estimated <u>FY 22</u>	Estimated <u>FY 23</u>
Licenses & Permits	27,495	26,231	25,648	26,787	25,979	27,309	26,631
Revenues From Use of Money and Property	74,139	78,952	78,446	75,085	75,718	75,619	75,736
Federal	139,184	289,077	289,825	290,399	290,976	291,556	292,138
Other Agencies	89,980	95,646	95,472	95,472	95,472	95,472	95,472
Charges for Current Services: Utilities & Other Enterprises	608,895	622,498	667,288	702,184	752,691	765,094	790,952
Others	694,766	1,186,119	1,205,686	1,206,995	1,212,484	1,213,978	1,214,500
Fines, Forfeits & Penalties	10,196	10,292	10,319	10,345	10,371	10,399	10,425
Non-Revenue Receipts	660,755	78,790	79,228	77,368	77,570	77,570	77,570
Judicial Branch Revenues	9,721	10,787	10,787	10,787	10,787	10,787	10,787
TOTAL	2,315,133	2,398,394	2,462,699	2,495,422	2,552,048	2,567,784	2,594,211

SPECIAL REVENUE FUNDS - OTHER THAN SPECIAL FUNDS
MULTI-YEAR REVENUES FROM SOURCES OTHER THAN TAXES
FISCAL YEARS 17 - 23
(in thousands of dollars)

<u>Source</u>	Estimated <u>FY 17</u>	Estimated <u>FY 18</u>	Estimated <u>FY 19</u>	Estimated <u>FY 20</u>	Estimated <u>FY 21</u>	Estimated <u>FY 22</u>	Estimated <u>FY 23</u>
Licenses & Permits	932	982	982	982	982	982	982
Revenues From Use of Money and Property	211,198	203,274	242,206	291,893	340,588	391,965	445,709
Federal	2,757,655	2,729,243	2,706,569	2,685,178	2,679,843	2,675,128	2,674,619
Federal - American Recovery & Reinvestment Act	102	-	-	-	-	-	-
Other Agencies	30,581	31,302	31,302	31,302	31,302	31,302	31,302
Charges for Current Services	268,781	174,721	174,748	174,325	174,410	174,123	173,847
Fines, Forfeits & Penalties	3,647	1,819	1,819	1,819	1,819	1,819	1,819
Repayment of Loans & Advances	70,910	65,343	79,771	47,091	61,593	111,503	78,339
Non-Revenue Receipts	1,724,460	2,027,306	1,803,908	1,819,433	1,760,084	1,738,074	1,729,723
Judiciary Revenues							
OHA Revenues	41,880	42,830	42,830	42,830	42,830	42,830	42,830
TOTAL	5,110,146	5,276,820	5,084,135	5,094,853	5,093,451	5,167,726	5,179,170

TENTATIVE SCHEDULE BY QUARTER AND FISCAL YEAR
OF THE AMOUNT OF GENERAL OBLIGATION BONDS
TO BE ISSUED FROM FISCAL YEAR 2018 TO FISCAL YEAR 2024

GENERAL OBLIGATION BONDS

<u>FY</u>	<u>Quarter</u>	<u>Description</u>	<u>Amount</u>	<u>Total</u>
Actual:				
FY 2016-2017	Fourth	GO 2017 Series FK (\$575M), Refunding Series FL (\$4.2M), FM (\$1.2M), & FN (\$229.355M), and Taxable Series FO (\$37.5M) & FP (\$7.5M)	\$ 854,755,000	\$ 854,755,000
Total General Obligation Bonds - Actual				\$ 854,755,000
Projected New Money:				
FY 2017-2018	Third		\$ 805,000,000	\$ 805,000,000
FY 2018-2019	Second Fourth		\$ 475,000,000 475,000,000	\$ 950,000,000
FY 2019-2020	Second Fourth		\$ 500,000,000 500,000,000	\$ 1,000,000,000
FY 2020-2021	Second Fourth		\$ 500,000,000 550,000,000	\$ 1,050,000,000
FY 2021-2022	Second Fourth		\$ 300,000,000 300,000,000	\$ 600,000,000
FY 2022-2023	Second Fourth		\$ 300,000,000 300,000,000	\$ 600,000,000
FY 2023-2024	Second Fourth		\$ 300,000,000 300,000,000	\$ 600,000,000
Total General Obligation Bonds-Projected New Money				\$ 5,605,000,000

TENTATIVE SCHEDULE BY QUARTER AND FISCAL YEAR
OF THE AMOUNT OF NEW MONEY 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 2017-2018			
Quarters	Third	\$ 805,000,000	\$ 805,000,000
FY 2018-2019			
Quarters	Second	\$ 475,000,000	
	Fourth	475,000,000	\$ 950,000,000
TOTAL GENERAL OBLIGATION BONDS			<u>\$ 1,755,000,000</u>

<u>REVENUE BONDS</u>				
FY 2017-2018				
Quarters	Third	Hawaii Health Systems Corporation	\$ 500,000	
	Third	University of Hawaii	\$ 104,500,000	
	Fourth	DOT - Airports	301,000,000	
	Fourth	Hawaii Health Systems Corporation	1,000,000	
	Fourth	Hawaii Housing Finance & Development Corp. - Single Family	30,000,000	
	Fourth	Hawaii Housing Finance & Development Corp. - Multi-Family	89,000,000	\$ 526,000,000
FY 2018-2019				
Quarters	First	DOT - Highways	\$ 80,000,000	
	First	Hawaii Housing Finance & Development Corp. - Multi-Family	73,167,678	
	Second	Hawaii Housing Finance & Development Corp. - Single Family	30,000,000	
	Second	Hawaii Housing Finance & Development Corp. - Multi-Family	48,500,000	
	Third	DOT - Airports	226,000,000	
	Third	DOT - Harbors	250,000,000	
	Third	Hawaii Health Systems Corporation	500,000	
	Third	Hawaii Housing Finance & Development Corp. - Multi-Family	57,250,000	
	Fourth	DOT - Airports	330,000,000	
	Fourth	Hawaii Health Systems Corporation	500,000	
	Fourth	Hawaii Housing Finance & Development Corp. - Single Family	30,000,000	
	Fourth	Hawaii Housing Finance & Development Corp. - Multi-Family	12,360,000	
	Fourth	University of Hawaii	50,000,000	\$ 1,188,277,678
TOTAL REVENUE BONDS				<u>\$ 1,714,277,678</u>

**SCHEDULE OF PROJECTED DEBT SERVICE CHARGES FOR GENERAL OBLIGATION BONDS
ISSUED AND TO BE ISSUED BY JUNE 30, 2024**

(IN THOUSANDS)

Fiscal Year	Debt Service On Bonds Outstanding			Debt Service On Bonds To Be Issued Through June 30, 2024			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
2017-2018	681,743	31,496	713,239	0	0	0	681,743	31,496	713,239
2018-2019	704,783	32,949	737,732	59,494	450	59,944	764,277	33,399	797,676
2019-2020	712,818	32,946	745,764	114,423	865	115,288	827,241	33,811	861,052
2020-2021	648,532	32,949	681,481	197,961	1,496	199,457	846,493	34,445	880,938
2021-2022	626,095	32,949	659,044	282,963	2,138	285,101	909,058	35,087	944,145
2022-2023	607,768	32,951	640,719	349,586	2,642	352,228	957,354	35,593	992,947
2023-2024	593,901	32,949	626,850	417,826	3,157	420,983	1,011,727	36,106	1,047,833

Schedule of General Obligation Bond Sales:

Fiscal Year 2017-2018

First Half \$0

Second Half \$805,000,000

Fiscal Year 2018-2019

First Half \$475,000,000

Maturities of Bonds to be issued:

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

Method of Retirement:

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

Assumed Interest Rate: 5.75%

Projected Reimbursable Debt Service:

Assumed average of reimbursable debt service to total debt service at .75%

TENTATIVE SCHEDULE BY QUARTER AND FISCAL YEAR
OF THE AMOUNT OF REVENUE BONDS
TO BE ISSUED FROM FISCAL YEAR 2018 TO FISCAL YEAR 2024

REVENUE BONDS

<u>FY</u>	<u>Quarter</u>	<u>Description</u>	<u>Amount</u>	<u>Total</u>
Actual:				
FY 2016-2017	Second	DOT - Harbors System Refunding Series 2016A (\$14.565M), B (\$68.535M), C (\$8.135M) & D (\$22.425M)	\$ 113,660,000	
	Second	Hawaii Housing Finance & Development Corporation - River Pauahi Apartments	\$ 9,250,000	
	Fourth	Hawaii Housing Finance & Development Corporation - Waipahu Tower	11,500,000	\$ 134,410,000
FY 2017-2018	First	DOT - Airports System - Customer Facility Charge - Series 2017A	\$ 249,805,000	
	First	Hawaii Housing Finance & Development Corporation - Ola Ka 'Ilima Artspace Lofts	26,000,000	
	First	Department of Hawaiian Home Lands Refunding Series 2017	30,940,000	
	Second	Hawaii Housing Finance & Development Corporation - Hale Kewalo	28,035,000	
	Second	Hawaii Housing Finance & Development Corporation - Hausten Gardens	14,000,000	\$ 348,780,000
Total Revenue Bonds - Actual				<u>\$ 483,190,000</u>
Projected New Money:				
FY 2017-2018	Third	Hawaii Health Systems Corporation	\$ 500,000	
	Third	University of Hawaii	104,500,000	
	Fourth	DOT - Airports	301,000,000	
	Fourth	Hawaii Health Systems Corporation	1,000,000	
	Fourth	Hawaii Housing Finance & Development Corp. - Single Family	30,000,000	
	Fourth	Hawaii Housing Finance & Development Corp. - Multi-Family	89,000,000	\$ 526,000,000
FY 2018-2019	First	DOT - Highways	\$ 80,000,000	
	First	Hawaii Housing Finance & Development Corp. - Multi-Family	73,167,678	
	Second	Hawaii Housing Finance & Development Corp. - Single Family	30,000,000	
	Second	Hawaii Housing Finance & Development Corp. - Multi-Family	48,500,000	
	Third	DOT - Airports	226,000,000	
	Third	DOT - Harbors	250,000,000	
	Third	Hawaii Health Systems Corporation	500,000	
	Third	Hawaii Housing Finance & Development Corp. - Multi-Family	57,250,000	
	Fourth	DOT - Airports	330,000,000	
	Fourth	Hawaii Health Systems Corporation	500,000	
	Fourth	Hawaii Housing Finance & Development Corp. - Single Family	30,000,000	
	Fourth	Hawaii Housing Finance & Development Corp. - Multi-Family	12,360,000	
	Fourth	University of Hawaii	50,000,000	\$ 1,188,277,678
FY 2019-2020	First	Hawaii Housing Finance & Development Corp. - Multi-Family	\$ 20,000,000	
	Second	Hawaii Housing Finance & Development Corp. - Single Family	30,000,000	
	Second	Hawaii Housing Finance & Development Corp. - Multi-Family	20,000,000	
	Third	Hawaii Health Systems Corporation	500,000	
	Third	Hawaii Housing Finance & Development Corp. - Multi-Family	20,000,000	
	Fourth	DOT - Airports	602,000,000	
	Fourth	Hawaii Health Systems Corporation	500,000	
	Fourth	Hawaii Housing Finance & Development Corp. - Single Family	30,000,000	
	Fourth	Hawaii Housing Finance & Development Corp. - Multi-Family	20,000,000	
	Fourth	University of Hawaii	50,000,000	\$ 793,000,000
FY 2020-2021	First	DOT - Highways	\$ 80,000,000	
	First	Hawaii Housing Finance & Development Corp. - Multi-Family	20,000,000	
	Second	Hawaii Housing Finance & Development Corp. - Single Family	30,000,000	
	Second	Hawaii Housing Finance & Development Corp. - Multi-Family	20,000,000	
	Third	Hawaii Health Systems Corporation	500,000	
	Third	Hawaii Housing Finance & Development Corp. - Multi-Family	20,000,000	
	Fourth	Hawaii Health Systems Corporation	500,000	
	Fourth	Hawaii Housing Finance & Development Corp. - Single Family	30,000,000	
	Fourth	Hawaii Housing Finance & Development Corp. - Multi-Family	20,000,000	
	Fourth	University of Hawaii	35,000,000	\$ 256,000,000
FY 2021-2022	First	Hawaii Housing Finance & Development Corp. - Multi-Family	\$ 20,000,000	
	Second	Hawaii Housing Finance & Development Corp. - Single Family	30,000,000	
	Second	Hawaii Housing Finance & Development Corp. - Multi-Family	20,000,000	
	Third	Hawaii Health Systems Corporation	500,000	
	Third	Hawaii Housing Finance & Development Corp. - Multi-Family	20,000,000	
	Fourth	Hawaii Health Systems Corporation	500,000	
	Fourth	Hawaii Housing Finance & Development Corp. - Single Family	30,000,000	

<u>FY</u>	<u>Quarter</u>	<u>Description</u>	<u>Amount</u>	<u>Total</u>
	Fourth	Hawaii Housing Finance & Development Corp. - Multi-Family	20,000,000	
	Fourth	University of Hawaii	35,000,000	\$ 176,000,000
FY 2022-2023	First	DOT - Highways	\$ 80,000,000	
	First	Hawaii Housing Finance & Development Corp. - Multi-Family	20,000,000	
	Second	Hawaii Housing Finance & Development Corp. - Single Family	30,000,000	
	Second	Hawaii Housing Finance & Development Corp. - Multi-Family	20,000,000	
	Third	Hawaii Health Systems Corporation	500,000	
	Third	Hawaii Housing Finance & Development Corp. - Multi-Family	20,000,000	
	Fourth	Hawaii Health Systems Corporation	500,000	
	Fourth	Hawaii Housing Finance & Development Corp. - Single Family	30,000,000	
	Fourth	Hawaii Housing Finance & Development Corp. - Multi-Family	20,000,000	\$ 221,000,000
FY 2023-2024	First	Hawaii Housing Finance & Development Corp. - Multi-Family	\$ 20,000,000	
	Second	Hawaii Housing Finance & Development Corp. - Single Family	30,000,000	
	Second	Hawaii Housing Finance & Development Corp. - Multi-Family	20,000,000	
	Third	Hawaii Health Systems Corporation	500,000	
	Third	Hawaii Housing Finance & Development Corp. - Multi-Family	20,000,000	
	Fourth	Hawaii Health Systems Corporation	500,000	
	Fourth	Hawaii Housing Finance & Development Corp. - Single Family	30,000,000	
	Fourth	Hawaii Housing Finance & Development Corp. - Multi-Family	20,000,000	\$ 141,000,000
Total Revenue Bonds - Projected New Money				<u>\$ 3,301,277,678</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 2018-2019 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 2015-2016 and estimated for each fiscal year from fiscal year 2018-2019 to 2020-2021, is as follows:

<u>Fiscal Year</u>	<u>Net General Fund Revenues</u>	<u>Debt Limit</u>
2014-2015	6,569,327,192	
2015-2016	7,075,981,186	
2016-2017	7,346,008,625	
2017-2018	7,358,389,000	1,294,464,549
2018-2019	7,663,351,000	1,343,123,360
2019-2020	7,982,509,000	1,379,344,499
2020-2021	(not applicable)	1,418,595,355

For fiscal years, 2017-2018, 2018-2019, 2019-2020 and 2020-2021 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 2014-2015, 2015-2016 and 2016-2017 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, 2017, dated November 17, 2017. The net general fund revenues for fiscal years 2017-2018 to 2019-2020 are estimates, based on general fund revenue estimates made as of September 7, 2017, 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 2017-2018 to 2036-2037, 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
2018	412,445,000	300,793,962	713,238,962	2,122,539	2,273,810	4,396,349	410,322,461	298,520,153	708,842,613
2019	450,730,000	287,001,921	737,731,921	3,762,919	2,152,958	5,915,877	446,967,081	284,848,963	731,816,044
2020	480,400,000	265,364,003	745,764,003	3,906,771	2,005,180	5,911,951	476,493,229	263,358,823	739,852,052
2021	437,055,000	244,425,652	681,480,652	4,060,903	1,851,380	5,912,282	432,994,097	242,574,272	675,568,370
2022	434,165,000	224,878,670	659,043,670	4,222,554	1,688,753	5,911,307	429,942,446	223,189,917	653,132,363
2023	435,590,000	205,128,922	640,718,922	4,395,654	1,518,993	5,914,648	431,194,346	203,609,928	634,804,274
2024	442,155,000	184,694,820	626,849,820	4,570,218	1,341,728	5,911,946	437,584,782	183,353,091	620,937,873
2025	423,265,000	164,136,037	587,401,037	4,756,657	1,156,468	5,913,124	418,508,343	162,979,569	581,487,913
2026	420,520,000	144,120,614	564,640,614	4,949,940	962,877	5,912,816	415,570,060	143,157,737	558,727,797
2027	389,515,000	124,646,464	514,161,464	3,010,535	756,364	3,766,900	386,504,465	123,890,100	510,394,565
2028	380,165,000	106,360,027	486,525,027	2,823,484	647,663	3,471,146	377,341,516	105,712,364	483,053,880
2029	364,845,000	88,709,983	453,554,983	1,985,000	545,069	2,530,069	362,860,000	88,164,914	451,024,914
2030	334,655,000	71,998,073	406,653,073	2,050,000	484,544	2,534,544	332,605,000	71,513,529	404,118,529
2031	303,650,000	56,342,719	359,992,719	2,110,000	420,825	2,530,825	301,540,000	55,921,894	357,461,894
2032	317,030,000	42,892,882	359,922,882	2,180,000	352,431	2,532,431	314,850,000	42,540,450	357,390,450
2033	258,015,000	30,875,715	288,890,715	2,250,000	280,444	2,530,444	255,765,000	30,595,271	286,360,271
2034	227,120,000	20,849,468	247,969,468	2,325,000	206,100	2,531,100	224,795,000	20,643,368	245,438,368
2035	175,710,000	12,445,289	188,155,289	2,405,000	127,734	2,532,734	173,305,000	12,317,555	185,622,555
2036	128,370,000	6,709,902	135,079,902	2,490,000	43,575	2,533,575	125,880,000	6,666,327	132,546,327
2037	75,020,000	2,306,970	77,326,970	0	0	0	75,020,000	2,306,970	77,326,970

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, 2017, adjusted for (a) appropriations made in Acts 49 and 195, Session Laws of Hawaii 2017, to be expended in fiscal year 2018-2019 (b) lapses proposed in THE EXECUTIVE BUDGET SUPPLEMENTAL [Budget Period: 2017-2019] (referred to as the "Budget") the total amount of authorized but unissued general obligation bonds amounts to \$3,147,567,789. The amount of general obligation bonds proposed in the Budget is \$620,048,000 (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 \$3,767,615,789.

(5) Proposed general obligation bond issuance. As reported in the Budget, as it applies to the fiscal period 2017-2018 to 2020-2021, the State proposed to issue \$805,000,000 in general obligation bonds during the remainder of fiscal year 2017-2018, \$475,000,000 in general obligation bonds during the first half of fiscal year 2018-2019, and \$475,000,000 in general obligation bonds during the second half of fiscal year 2018-2019, \$500,000,000 in general obligation bonds during the first half of fiscal year 2019-2020, and \$500,000,000 in general obligation bonds during the second half of fiscal year 2019-2020, \$500,000,000 in general obligation bonds during the first half of fiscal year 2020-2021 and \$550,000,000 in general obligation bonds during the second half of fiscal year 2020-2021. The State anticipates issuing twenty-year serial bonds with principal repayments beginning the third 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 2018-2019 2019-2020, and 2020-2021, is \$3,805,000,000. The total amount of \$3,805,000,000 which is proposed to be issued through fiscal year 2020-2021 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 \$3,767,615,789 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, 2021, 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 0.90 percent for approximately ten years from fiscal year 2017-2018 to fiscal year 2026-2027. For the purpose of this declaration, the assumption is made that 0.75 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 2017-2018, 2018-2019, 2019-2020 and 2020-2021 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>
2017-2018	7,388,775,000
2018-2019	8,331,655,000
2019-2020	9,324,155,000
2020-2021	10,366,280,000

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 5.75 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 2017-2018 \$798,965,000	1,294,464,549	791,704,491 (2019-2020)
1st half FY 2018-2019 \$471,440,000	1,343,123,360	805,258,391 (2019-2020)
2nd half FY 2018-2019 \$471,440,000	1,343,123,360	818,429,758 (2021-2022)
1st half FY 2019-2020 \$496,250,000	1,379,344,499	846,964,133 (2021-2022)
2nd half FY 2019-2020 \$496,250,000	1,379,344,499	891,482,659 (2022-2023)
1st half FY 2020-2021 \$496,250,000	1,418,595,355	924,178,826 (2023-2024)
2nd half FY 2020-2021 \$545,875,000	1,418,595,355	973,651,639 (2023-2024)

(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