



State Receipt and Revenue Plans

MULTI-YEAR FINANCIAL SUMMARY
TOTAL EXPENDITURES AND REVENUES
FISCAL YEARS 18 - 25
(in millions of dollars)

	Actual/Est* FY 18	Actual/Est* FY 19	Estimated FY 20	Estimated FY 21	Estimated FY 22	Estimated FY 23	Estimated FY 24	Estimated FY 25
REVENUES:								
Executive Branch:								
Tax Revenues	7,624.6	8,137.5	8,454.5	8,691.9	8,936.2	9,266.3	9,608.1	9,965.1
Nontax Revenues	5,914.3	5,754.5	5,397.5	5,468.2	5,530.9	5,612.6	5,748.2	5,801.8
Federal Funds	3,060.0	2,959.5	3,012.9	2,980.7	2,968.2	2,968.7	2,967.1	2,973.4
Judicial Branch Revenues	44.6	42.4	45.2	45.2	45.2	45.2	45.2	45.2
OHA Revenues	40.4	38.1	50.8	44.9	45.5	46.0	46.5	47.0
Other	-	-	-	(11.1)	(0.7)	(2.1)	(1.1)	(1.0)
Bond Receipts	752.3	789.6	1,220.9	2,236.1	2,334.0	2,105.0	990.0	1,040.0
TOTAL REVENUES	17,436.2	17,721.6	18,181.7	19,455.9	19,859.2	20,041.7	19,404.0	19,871.5
EXPENDITURES:								
Executive Branch:								
Operating	13,250.7	14,156.5	15,694.6	16,197.2	16,585.7	16,831.6	17,107.0	17,289.9
Capital Investment	2,039.17	2,171.13	2,832.91	2,882.27	1,331.61	502.01	214.71	56.64
Other	441.5	356.2	123.4	178.5	183.9	183.5	183.3	183.0
Sub-total	15,731.4	16,683.8	18,650.9	19,258.0	18,101.2	17,517.1	17,505.0	17,529.5
Legislative Branch	42.0	43.1	42.8	43.3	43.3	43.3	43.3	43.3
Judicial Branch	176.3	180.9	184.8	185.8	184.3	184.3	184.3	184.3
OHA	41.2	40.8	53.6	47.2	47.8	48.6	49.1	50.5
Lapses	(107.8)	(190.9)	(80.0)	(80.0)	(80.0)	(80.0)	(80.0)	(80.0)
TOTAL EXPENDITURES	15,883.1	16,757.7	18,852.1	19,454.3	18,296.6	17,713.3	17,701.8	17,727.6
REVENUES OVER EXPEND.	1,553.1	963.9	(670.4)	1.7	1,562.7	2,328.4	1,702.2	2,143.9
CARRY-OVER BALANCE (DEFICIT)								
Beginning	10,168.5	11,721.5	12,685.4	12,015.1	12,016.7	13,579.4	15,907.8	17,610.0
Ending	11,721.5	12,685.4	12,015.1	12,016.7	13,579.4	15,907.8	17,610.0	19,753.9

* unaudited, preliminary revenues

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

MULTI-YEAR FINANCIAL SUMMARY
GENERAL FUND
FISCAL YEARS 19 - 25
(in millions of dollars)

	<u>Actual*</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>	<u>Estimated</u> <u>FY 24</u>	<u>Estimated</u> <u>FY 25</u>
REVENUES:							
Executive Branch:	5.1%	4.1%	3.0%	3.0%	4.0%	4.0%	4.0%
Tax revenues	7,141.3	7,434.6	7,657.6	7,887.4	8,202.9	8,531.0	8,872.2
Nontax revenues	742.4	733.1	753.7	767.3	779.3	794.6	809.1
Judicial Branch revenues	32.8	34.5	34.5	34.5	34.5	34.5	34.5
Other revenues	0.0	0.0	(11.1)	(0.7)	(2.1)	(1.1)	(1.0)
TOTAL REVENUES	7,916.6	8,202.2	8,434.6	8,688.4	9,014.5	9,358.9	9,714.7
EXPENDITURES							
Executive Branch:							
Operating	7,512.2	8,086.5	8,405.0	8,539.4	8,732.1	8,950.4	9,088.8
CIP	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Specific appropriation/CB	356.2	84.6	82.0	74.2	74.2	74.2	74.2
Other expenditures/adjustments	0.0	38.8	96.5	109.7	109.3	109.1	108.8
Sub-total - Exec Branch	7,868.4	8,209.9	8,583.6	8,723.3	8,915.6	9,133.8	9,271.9
Legislative Branch	43.1	42.8	43.3	43.3	43.3	43.3	43.3
Judicial Branch	170.3	172.0	173.0	171.5	171.5	171.5	171.5
OHA	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Counties	20.7	0.0	0.0	0.0	0.0	0.0	0.0
Lapses	(190.9)	(80.0)	(80.0)	(80.0)	(80.0)	(80.0)	(80.0)
TOTAL EXPENDITURES	7,914.7	8,347.8	8,723.0	8,861.2	9,053.5	9,271.7	9,409.8
REV. OVER (UNDER) EXPEND.	1.8	(145.6)	(288.4)	(172.8)	(39.0)	87.3	305.0
CARRY-OVER BALANCE (DEFICIT)							
Beginning	750.3	752.1	606.6	318.2	145.4	106.4	193.7
Ending	752.1	606.6	318.2	145.4	106.4	193.7	498.6
GF reserves (5% of prior yr revenues)	383.0	395.8	410.1	421.7	434.4	450.7	467.9
END BAL LESS OF RESERVES	369.1	210.7	(91.9)	(276.3)	(328.0)	(257.1)	30.7
<i>EBRF (add'l \$5M FY20)</i>	378.2	396.0	404.0	411.9	420.4	428.9	437.5
<i>EBRF fund balance as % of prior yr revenues</i>	4.94%	5.00%	4.92%	4.88%	4.84%	4.76%	4.67%

* 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 2015	70,384
Calendar Year 2016	72,879
Calendar Year 2017	75,690
Calendar Year 2018	78,721
Calendar Year 2019*	81,398
* As estimated by the Council on Revenues Nov. 2019	
State Growth	
Fiscal Year 2020	3.80%
Fiscal Year 2021	3.75%

B. All Branches of Government

General Fund Appropriations	
Fiscal Year 2019	8,105,646,646
Fiscal Year 2020 (incl proposed)	8,413,425,095
Fiscal Year 2021 (incl proposed)	8,762,325,360
General Fund Expenditure Ceiling	
Fiscal Year 2020	9,348,560,894
Fiscal Year 2021	9,699,527,323

C. Executive Branch

Recommended General Fund Appropriations	
Fiscal Year 2020	8,195,342,887
Fiscal Year 2021	8,542,714,905
Actual and Proposed General Fund Appropriations	
Fiscal Year 2019	7,868,499,828
Fiscal Year 2020	8,103,266,560
Proposed addt'l appropriations	92,076,327
Total - FY 2020 apprns	<u>8,195,342,887</u>
Fiscal Year 2021	8,265,113,518
Proposed addt'l appropriations	277,601,387
Total - FY 2021 apprns	<u>8,542,714,905</u>

General Fund Appropriation Ceiling	
Fiscal Year 2020	8,167,657,878
Fiscal Year 2021	8,503,014,866

MULTI-YEAR FINANCIAL SUMMARY
 FUND BALANCES OF SPECIAL FUNDS
 FISCAL YEARS 18 - 25
 (in millions of dollars)

	Actual* FY 18	Actual* FY 19	Estimated FY 20	Estimated FY 21	Estimated FY 22	Estimated FY 23	Estimated FY 24	Estimated FY 25
Transportation:								
Administration **	15.9	18.6	7.6	(3.6)	(14.8)	(25.9)	(37.1)	(48.3)
Airports **	1,130.3	897.1	691.6	377.8	(7.1)	(390.6)	(741.7)	(1,079.5)
Harbors	366.6	396.1	446.2	500.1	517.5	541.5	571.2	610.1
Highways	293.5	276.5	186.6	77.0	48.2	115.1	194.4	278.5
Agriculture **	26.7	26.4	21.4	15.4	10.1	4.8	(0.5)	(5.8)
Business, Econ. Dev. & Tourism **	100.5	101.9	(18.3)	(140.1)	(260.0)	(379.0)	(497.1)	(614.6)
Commerce & Consumer Affairs	100.4	109.1	96.7	78.6	71.0	62.9	56.0	48.0
Education **	56.1	43.4	20.7	(2.2)	(25.0)	(47.8)	(70.7)	(93.5)
Health**	209.0	245.5	202.7	139.5	80.6	21.9	(26.9)	(75.5)
HHSC **	64.3	55.3	(123.2)	(302.9)	(482.6)	(662.3)	(842.1)	(1,021.8)
Labor & Industrial Relations	12.9	10.9	14.7	18.3	21.9	25.4	29.0	32.6
Land and Natural Resources	103.6	107.4	95.8	64.5	46.3	30.2	14.8	(0.5)
University of Hawaii**	76.3	74.9	12.5	(52.6)	(111.0)	(167.7)	(221.9)	(275.0)
Others	611.1	612.0	696.0	771.2	843.2	916.5	987.8	1,057.8
TOTAL	3,167.0	2,975.1	2,351.0	1,541.2	738.5	44.8	(584.6)	(1,187.5)

* 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 18 - 25
(in millions of dollars)

	Actual* <u>FY 18</u>	Actual* <u>FY 19</u>	Estimated <u>FY 20</u>	Estimated <u>FY 21</u>	Estimated <u>FY 22</u>	Estimated <u>FY 23</u>	Estimated <u>FY 24</u>	Estimated <u>FY 25</u>
REVENUES:								
Executive Branch:								
Tax Revenues	611.4	768.7	805.4	819.8	834.4	849.0	862.6	878.4
Nontax Revenues	2,357.2	2,249.1	2,090.1	2,122.1	2,170.5	2,205.6	2,236.6	2,237.0
Federal Funds	166.4	266.2	328.9	332.2	333.3	334.3	335.4	336.5
Judicial Branch Revenues	10.1	9.6	10.7	10.7	10.7	10.7	10.7	10.7
TOTAL REVENUES	3,145.1	3,293.5	3,235.1	3,284.8	3,348.9	3,399.6	3,445.3	3,462.6
EXPENDITURES:								
Executive Branch:								
Operating	2,477.4	3,022.3	3,555.1	3,734.0	3,990.8	4,036.1	4,046.2	4,042.9
Capital Investment	389.0	453.0	291.5	348.2	148.3	44.6	16.1	10.1
Sub-total	2,866.4	3,475.3	3,846.6	4,082.2	4,139.1	4,080.8	4,062.3	4,053.0
Judicial Branch	10.3	10.2	12.5	12.5	12.5	12.5	12.5	12.5
Total Expenditures	2,876.7	3,485.5	3,859.1	4,094.7	4,151.6	4,093.2	4,074.8	4,065.4
REVENUES OVER EXPEND.	268.4	(192.0)	(624.0)	(809.8)	(802.7)	(693.6)	(629.5)	(602.9)
CARRY-OVER BALANCE (DEFICIT)								
Beginning	2,898.7	3,167.0	2,975.1	2,351.0	1,541.2	738.5	44.8	(584.6)
Ending	3,167.0	2,975.1	2,351.0	1,541.2	738.5	44.8	(584.6)	(1,187.5)

* unaudited

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

GENERAL FUND
MULTI-YEAR REVENUES FROM SOURCES OTHER THAN TAXES
FISCAL YEARS 18 - 25
(in thousands of dollars)

<u>Source</u>	<u>Actual*</u> <u>FY 18</u>	<u>Actual*</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>	<u>Estimated</u> <u>FY 24</u>	<u>Estimated</u> <u>FY 25</u>
Licenses & Permits	1,074	1,785	1,030	1,034	1,034	1,034	1,034	1,034
Revenues From Use of Money and Property	25,481	21,701	13,051	12,896	12,719	12,533	12,339	12,136
Federal	12,948	14,042	11,848	11,415	11,365	11,365	11,365	11,365
Other Agencies	2,951	4,651	3,000	3,000	3,000	3,000	3,000	3,000
Charges for Current Services	499,122	439,860	437,087	445,409	454,101	461,492	472,025	481,507
Fines, Forfeits & Penalties	2,689	2,536	2,536	2,566	2,536	2,566	2,536	2,536
Repaymnt of Loans & Advances	34,885	4,110	4,303	4,472	4,650	4,839	5,031	5,235
Other Revenues	251,304	252,619	260,250	272,857	277,906	282,442	287,296	292,246
Sub-total	830,454	741,304	733,105	753,649	767,311	779,271	794,626	809,059
Judicial Branch Revenues	34,463	32,843	33,091	33,091	33,091	33,091	33,091	33,091
TOTAL	864,916	774,147	766,196	786,740	800,402	812,362	827,717	842,150

* unaudited

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

SPECIAL REVENUE FUNDS
MULTI-YEAR REVENUES FROM TAXES
FISCAL YEARS 18 - 25
(in thousands of dollars)

<u>Source</u>	<u>Actual*</u> <u>FY 18</u>	<u>Actual*</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>	<u>Estimated</u> <u>FY 24</u>	<u>Estimated</u> <u>FY 25</u>
Mass Transit (GET)	133,499	267,329	300,936	311,770	322,682	333,653	343,663	355,691
Transfer of Tobacco Tax	40,473	37,277	38,381	37,929	37,493	37,072	36,667	36,276
Liquid Fuel:								
Highway	83,489	83,388	83,804	84,222	84,642	85,064	85,488	85,914
Aviation	2,632	2,605	2,613	2,613	2,613	2,613	2,613	2,613
Small Boats	1,722	1,758	1,600	1,600	1,600	1,600	1,600	1,600
Sub-total	87,842	87,751	88,017	88,435	88,855	89,277	89,701	90,127
Transfer of Trans. Accomm. Tax	136,626	157,354	162,933	165,571	168,207	170,830	173,468	176,129
Motor Vehicle Weight Tax	83,145	84,065	84,485	84,908	85,332	85,759	86,188	86,619
Vehicle Registration Fee Tax	51,934	52,078	52,309	52,541	52,775	53,009	53,245	53,482
Vehicle Surcharge:								
Rental/Tour Vehicles	54,844	57,991	58,281	58,573	58,866	59,160	59,456	59,753
Environmental Response Tax	11,613	11,820	8,591	8,591	8,591	8,591	8,591	8,591
Unemployment Comp. Tax T.F.	178,232	188,059	183,000	183,000	183,000	183,000	183,000	183,000
Employment and Training	1,371	1,175	1,349	1,349	1,349	1,349	1,349	1,349
Election Campaign Contrib. T.F.	195	146	195	150	195	150	195	195
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	44,800	46,604	36,800	36,800	36,800	36,800	36,800	36,800
Transfer of Ins. Premium Tax	2,504	2,574	2,600	2,650	2,700	2,750	2,800	2,850
TOTAL	829,079	996,222	1,019,877	1,034,266	1,048,844	1,063,400	1,077,123	1,092,862

* unaudited

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

SPECIAL FUNDS
MULTI-YEAR REVENUES FROM SOURCES OTHER THAN TAXES
FISCAL YEARS 18 - 25
(in thousands of dollars)

<u>Source</u>	<u>Actual*</u> <u>FY 18</u>	<u>Actual*</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>	<u>Estimated</u> <u>FY 24</u>	<u>Estimated</u> <u>FY 25</u>
Licenses & Permits	29,900	29,021	26,308	28,165	28,680	28,213	29,118	28,040
Revenues From Use of Money and Property	69,618	75,200	95,630	94,600	95,793	96,861	98,037	98,290
Federal	166,399	266,161	328,872	332,227	333,282	334,342	335,407	336,478
Other Agencies	169,790	106,478	103,898	103,580	102,985	102,990	102,996	103,003
Charges for Current Services: Utilities & Other Enterprises	691,013	729,413	718,791	759,641	794,928	823,736	847,938	846,218
Others	710,054	704,643	1,077,256	1,074,781	1,083,568	1,089,349	1,093,682	1,096,345
Fines, Forfeits & Penalties	10,492	10,019	11,344	8,968	8,991	9,016	9,040	9,063
Non-Revenue Receipts	676,317	594,279	56,882	52,357	55,567	55,432	55,741	56,061
Judicial Branch Revenues	10,115	9,628	10,698	10,698	10,698	10,698	10,698	10,698
TOTAL	2,533,697	2,524,843	2,429,680	2,465,016	2,514,492	2,550,637	2,582,657	2,584,196

* unaudited

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

SPECIAL REVENUE FUNDS - OTHER THAN SPECIAL FUNDS
MULTI-YEAR REVENUES FROM SOURCES OTHER THAN TAXES
FISCAL YEARS 18 - 25
(in thousands of dollars)

<u>Source</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>	Estimated <u>FY 24</u>	Estimated <u>FY 25</u>
Licenses & Permits	1,097	1,491	1,157	1,157	1,157	1,157	1,157	1,157
Revenues From Use of Money and Property	215,582	185,924	303,381	357,726	413,748	471,760	534,350	600,349
Federal	2,880,725	2,679,267	2,672,180	2,637,128	2,623,511	2,623,012	2,620,317	2,625,455
Other Agencies	33,717	33,892	30,633	30,633	30,633	30,633	30,633	30,633
Charges for Current Services	332,370	343,592	188,389	187,714	187,904	186,433	186,210	186,042
Fines, Forfeits & Penalties	1,512	1,125	1,848	1,848	1,848	1,848	1,848	1,848
Repayment of Loans & Advances	122,112	85,788	54,387	53,175	72,262	61,133	101,252	85,504
Non-Revenue Receipts	2,033,225	2,126,361	2,006,295	1,971,610	1,896,866	1,886,093	1,872,917	1,861,546
OHA Revenues	40,404	38,103	50,809	44,912	45,460	45,966	46,483	47,010
TOTAL	5,660,744	5,495,543	5,309,079	5,285,903	5,273,389	5,308,035	5,395,167	5,439,544

* unaudited, preliminary

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

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 2020-2021 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 2017-2018 and estimated for each fiscal year from fiscal year 2020-2021 to 2022-2023, is as follows:

<u>Fiscal Year</u>	<u>Net General Fund Revenues</u>	<u>Debt Limit</u>
2016-2017	7,346,008,625	
2017-2018	7,656,001,540	
2018-2019	7,910,649,595	
2019-2020	8,196,262,000	1,412,947,352
2020-2021	8,439,844,000	1,465,379,643
2021-2022	8,683,236,000	1,513,716,595
2022-2023	(not applicable)	1,561,359,423

For fiscal years, 2019-2020, 2020-2021, 2021-2022 and 2022-2023 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 2016-2017, 2017-2018 and 2018-2019 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, 2019, dated November 18, 2019. The net general fund revenues for fiscal years 2019-2020 to 2021-2022 are estimates, based on general fund revenue estimates made as of August 29, 2019, 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 2019-2020 to 2038-2039, 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
2020	525,235,000	310,935,695	836,170,695	3,906,771	2,005,180	5,911,951	521,328,229	308,930,515	830,258,744
2021	482,710,000	292,025,904	774,735,904	4,060,903	1,851,380	5,912,282	478,649,097	290,174,524	768,823,622
2022	488,400,000	271,121,363	759,521,363	4,222,554	1,688,753	5,911,307	484,177,446	269,432,610	753,610,056
2023	482,345,636	249,502,046	731,847,681	4,395,654	1,518,993	5,914,648	477,949,981	247,983,053	725,933,034
2024	490,644,123	227,331,106	717,975,230	4,570,218	1,341,728	5,911,946	486,073,905	225,989,378	712,063,283
2025	473,495,473	205,033,049	678,528,522	4,756,657	1,156,468	5,913,124	468,738,816	203,876,582	672,615,397
2026	472,625,747	183,124,501	655,750,248	4,949,940	962,877	5,912,816	467,675,807	182,161,625	649,837,432
2027	443,721,178	161,607,121	605,328,299	3,010,535	756,364	3,766,900	440,710,643	160,850,757	601,561,400
2028	436,569,107	141,107,367	577,676,474	2,823,484	647,663	3,471,146	433,745,623	140,459,705	574,205,328
2029	423,504,815	121,175,777	544,680,593	1,985,000	545,069	2,530,069	421,519,815	120,630,709	542,150,524
2030	395,632,126	102,124,556	497,756,682	2,050,000	484,544	2,534,544	393,582,126	101,640,013	495,222,139
2031	367,118,919	83,990,285	451,109,203	2,110,000	420,825	2,530,825	365,008,919	83,569,460	448,578,378
2032	383,137,152	67,929,589	451,066,742	2,180,000	352,431	2,532,431	380,957,152	67,577,158	448,534,310
2033	326,658,856	53,367,469	380,026,325	2,250,000	280,444	2,530,444	324,408,856	53,087,025	377,495,881
2034	298,579,932	40,530,821	339,110,753	2,325,000	206,100	2,531,100	296,254,932	40,324,721	336,579,653
2035	251,510,000	29,133,089	280,643,089	2,405,000	127,734	2,532,734	249,105,000	29,005,355	278,110,355
2036	207,435,000	20,132,702	227,567,702	2,490,000	43,575	2,533,575	204,945,000	20,089,127	225,034,127
2037	157,935,000	11,878,570	169,813,570	0	0	0	157,935,000	11,878,570	169,813,570
2038	86,710,000	5,778,750	92,488,750	0	0	0	86,710,000	5,778,750	92,488,750
2039	35,865,000	1,668,250	37,533,250	0	0	0	35,865,000	1,668,250	37,533,250

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, 2019, adjusted for (a) appropriations made in Acts 40 and 189, Session Laws of Hawaii 2019, to be expended in fiscal year 2020-2021 (b) lapses proposed in THE EXECUTIVE BUDGET SUPPLEMENTAL [Budget Period: 2019-2021] (referred to as the "Budget") the total amount of authorized but unissued general obligation bonds amounts to \$4,022,920,870. The amount of general obligation bonds proposed in the Budget is \$533,175,000 (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 \$4,556,095,870.

(5) Proposed general obligation bond issuance. As reported in the Budget, as it applies to the fiscal period 2019-2020 to 2022-2023, the State proposed to issue \$600,000,000 in general obligation bonds during the remainder of fiscal year 2019-2020, \$600,000,000 in general obligation bonds during the first half of fiscal year 2020-2021, and \$650,000,000 in general obligation bonds during the second half of fiscal year 2020-2021, \$650,000,000 in general obligation bonds during the first half of fiscal year 2021-2022, and \$675,000,000 in general obligation bonds during the second half of fiscal year 2021-2022, \$675,000,000 in general obligation bonds during the first half of fiscal year 2022-2023 and \$710,000,000 in general obligation bonds during the second half of fiscal year 2022-2023. The State anticipates issuing a combination of twenty-year serial bonds with principal repayments beginning the third year and ten-year serial bonds with principal repayments beginning the first 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 2020-2021 2021-2022, and 2022-2023, is \$4,560,000,000. The total amount of \$4,560,000,000 which is proposed to be issued through fiscal year 2022-2023 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 \$4,556,095,870 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, 2023, 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 0.76 percent for approximately ten years from fiscal year 2019-2020 to fiscal year 2028-2029. 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 2019-2020, 2020-2021, 2021-2022 and 2022-2023 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>
2019-2020	7,480,243,064
2020-2021	8,720,868,064
2021-2022	10,035,933,064
2022-2023	11,410,548,064

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 2019-2020 \$595,500,000	1,412,947,352	827,262,154 (2020-2021)
1st half FY 2020-2021 \$595,500,000	1,465,379,643	864,046,782 (2021-2022)
2nd half FY 2020-2021 \$645,125,000	1,465,379,643	920,951,469 (2021-2022)
1st half FY 2021-2022 \$645,125,000	1,513,716,595	971,806,136 (2023-2024)
2nd half FY 2021-2022 \$669,940,000	1,513,716,595	1,030,899,911 (2023-2024)
1st half FY 2022-2023 \$669,940,000	1,561,359,423	1,089,400,073 (2023-2024)
2nd half FY 2022-2023 \$704,675,000	1,561,359,423	1,151,558,886 (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