

February 21, 2020

VIA EMAIL

The Honorable Ronald D. Kouchi  
Senate President  
415 South Beretania Street  
Hawaii State Capitol, Room 409  
Honolulu, Hawaii 96813

VIA EMAIL

The Honorable Scott K. Saiki  
Speaker, House of Representatives  
415 South Beretania Street  
Hawaii State Capitol, Room 431  
Honolulu, Hawaii 96813

Re: Analyses of Proposed Special and Revolving Funds 2020, Report No. 20-04

Dear President Kouchi and Speaker Saiki:

Pursuant to Section 23-11, Hawaii Revised Statutes, the Office of the Auditor reviewed 99 Senate and House bills from the 2020 legislative session proposing 63 new special and revolving funds. We are attaching a copy of the report compiling our analyses of new special and revolving funds proposed by 2020 legislative bills. The report and summary have also been uploaded to the Legislature's web-based application.

The report and summary are accessible through the Office of the Auditor's website at:

<http://files.hawaii.gov/auditor/Reports/2020/20-04.pdf>;

and

<http://files.hawaii.gov/auditor/Overviews/2020/20-04AuditorSummary.pdf>.

If you or other Legislators would like a printed version of the report, please let me know.

Very truly yours,

Leslie H. Kondo  
State Auditor

LHK:emo

Attachments

cc/attach: Senators  
Representatives  
Carol Taniguchi, Senate Chief Clerk  
Brian Takeshita, House Chief Clerk

# Auditor's Summary

## Overview of Proposed Special and Revolving Funds Analyses

Report No. 20-04

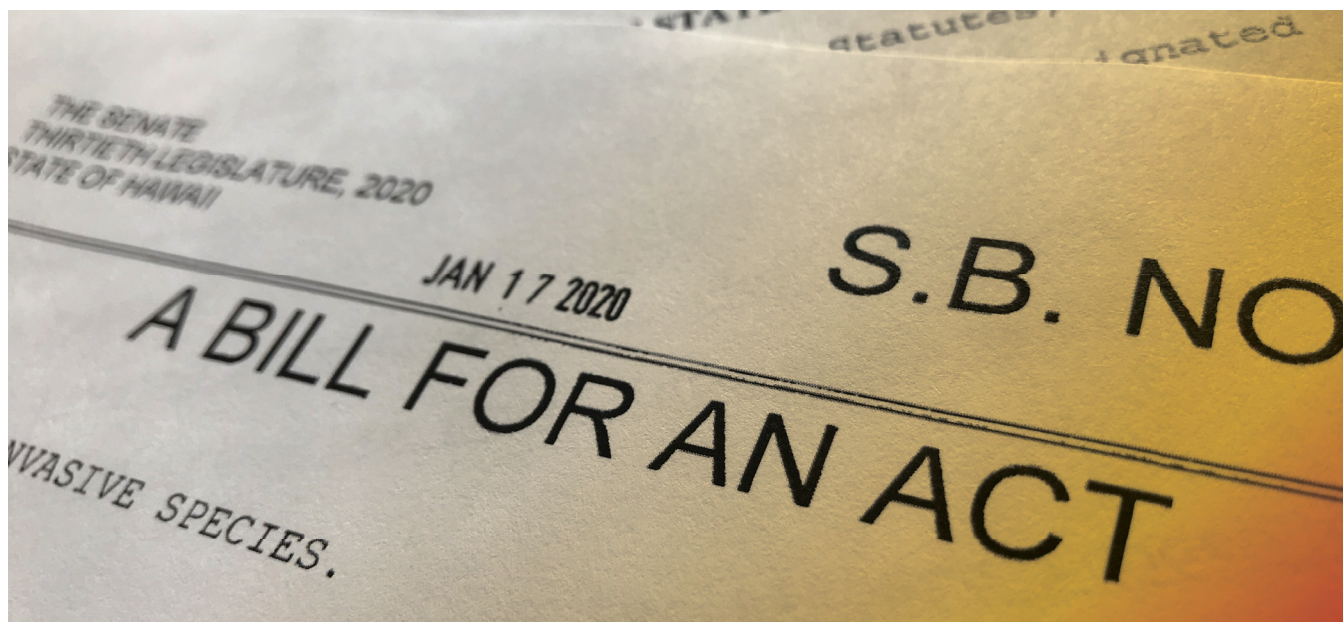


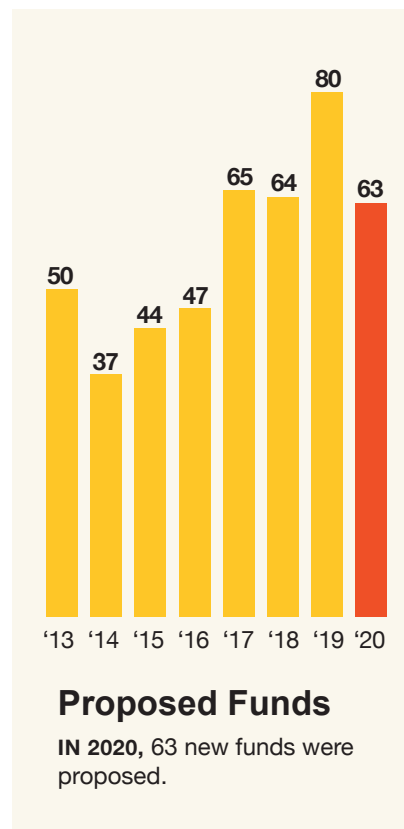
PHOTO: OFFICE OF THE AUDITOR

### Sixty-three funds proposed in 2020 did not meet criteria.

We reviewed 99 House and Senate bills proposing 63 special and revolving funds during the 2020 legislative session of which none met criteria.

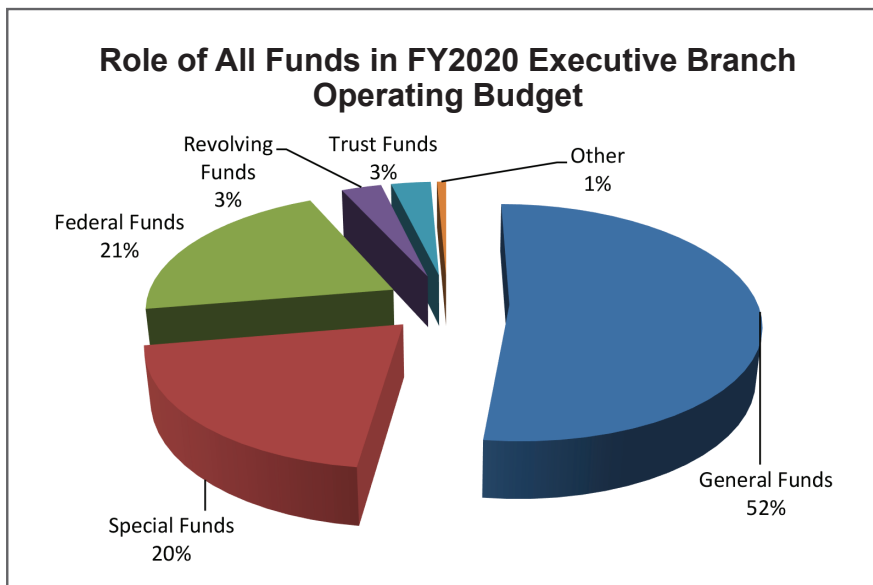
**ONLY ABOUT HALF OF THE MONEY** the State spends each year comes from its main financial account, the general fund. The other half of expenditures are financed by special, revolving, federal, and trust funds. Over the past ten years, the number of these non-general funds and the amount of money contained in them have substantially increased. Much of this upward trend has been caused by an increase in special funds, which are funds set aside by law for a specified object or purpose.

In 2013, the Legislature amended Section 23-11, Hawai'i Revised Statutes (HRS), after the Auditor recommended changes to stem a trend in the proliferation of special and revolving funds over the past 30 years. Such funds erode the Legislature's ability to control the State budget through the general fund appropriation process. General funds, which made up about two-thirds of State operating budget outlays in the late 1980s, had dwindled to about half of outlays.



By 2011, special funds amounted to \$2.48 billion, or 24.3 percent, of the State’s \$10.2 billion operating budget. Also ballooning were revolving funds, which are used to pay for goods and services and are replenished through charges to users of the goods and services or transfers from other accounts or funds. By 2011, revolving funds made up \$384.2 million, or 3.8 percent, of the State’s operating budget. Further hampering the Legislature’s control over the budget process was a 2008 court case. In *Hawai‘i Insurers Council v. Linda Lingle, Governor of the State of Hawai‘i*, the Hawai‘i Supreme Court determined that under only certain conditions could the Legislature “raid” special funds to balance the State budget. In 2013, in order to gain more control over the budget process, the Legislature built new safeguards into the criteria for establishing special funds.

Despite the new criteria, special and revolving funds persist: in FY2020, the general fund comprised 52 percent of the State operating budget, with special and revolving funds comprising 23 percent, or \$3.37 billion.



## The Issue

**NON-GENERAL FUNDS**, such as special, revolving, federal, and trust funds, exist outside the State’s main financial account, the general fund. Since FY2008, the number of non-general funds and the amount of money contained in them have substantially increased. In FY2020, non-general funds accounted for about half of the State’s \$14.4 billion operating budget. This proliferation of non-general funds has hampered the Legislature’s ability to direct general fund spending.

## The Criteria

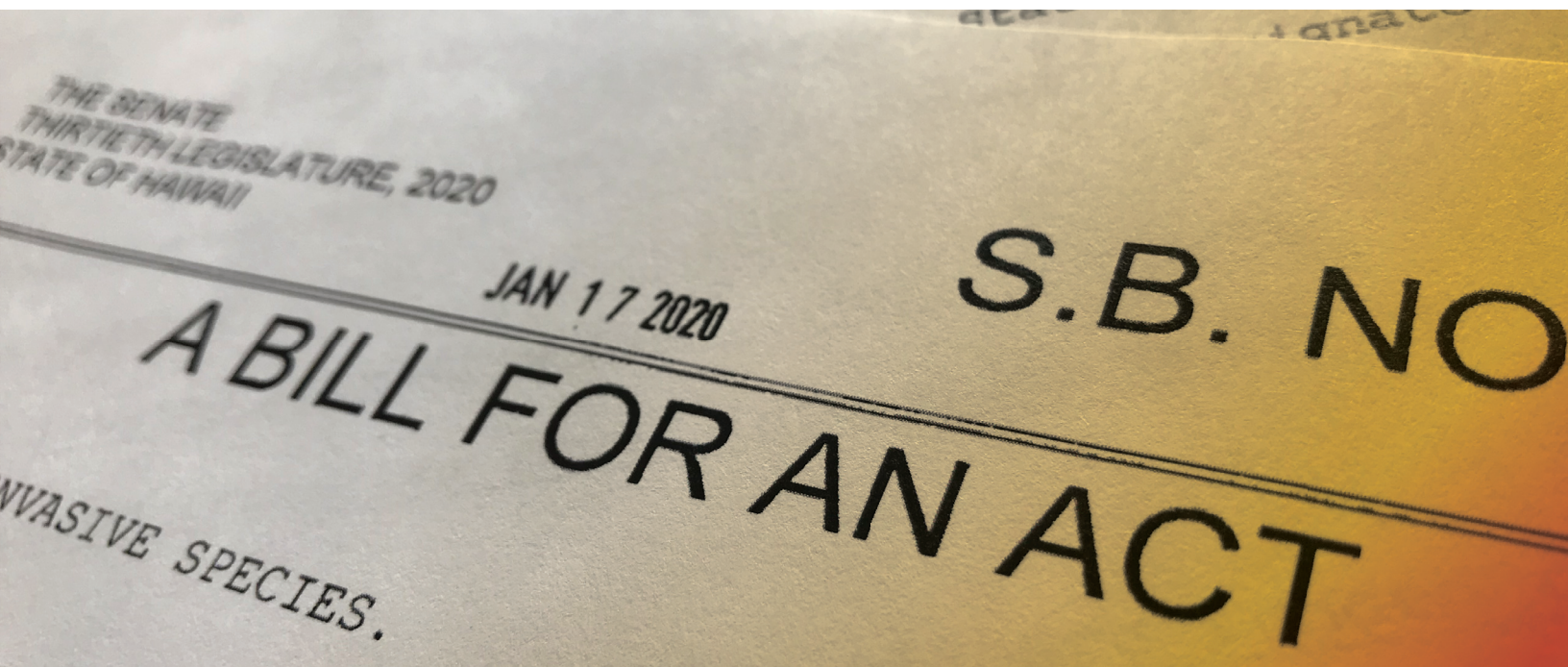
**SECTION 23-11, HRS**, requires the Auditor to analyze all bills proposing to establish new special or revolving funds according to the following criteria:

1. The need for the fund, as demonstrated by:
  - The purpose of the program to be supported by the fund;
  - The scope of the program, including financial information on fees to be charged, sources of projected revenue, and costs; and
  - An explanation of why the program cannot be implemented successfully under the general fund appropriation process; and
2. Whether there is a clear nexus between the benefits sought and charges made upon the program users or beneficiaries or a clear link between the program and the sources of revenue, as opposed to serving primarily as a means to provide the program or users with an automatic means of support that is removed from the normal budget and appropriation process.

# Analyses of Proposed Special and Revolving Funds 2020

Section 23-11, Hawai'i Revised Statutes, requires the Auditor to submit no later than 30 days prior to the end of the legislative session an analysis of each new special or revolving fund proposed by legislative bills.

**Report No. 20-04**  
February 2020



**OFFICE OF THE AUDITOR**  
STATE OF HAWAII



## OFFICE OF THE AUDITOR STATE OF HAWAII

### Constitutional Mandate

Pursuant to Article VII, Section 10 of the Hawai'i State Constitution, the Office of the Auditor shall conduct post-audits of the transactions, accounts, programs and performance of all departments, offices and agencies of the State and its political subdivisions.

The Auditor's position was established to help eliminate waste and inefficiency in government, provide the Legislature with a check against the powers of the executive branch, and ensure that public funds are expended according to legislative intent.

Hawai'i Revised Statutes, Chapter 23, gives the Auditor broad powers to examine all books, records, files, papers and documents, and financial affairs of every agency. The Auditor also has the authority to summon people to produce records and answer questions under oath.

### Our Mission

*To improve government through independent and objective analyses.*

We provide independent, objective, and meaningful answers to questions about government performance. Our aim is to hold agencies accountable for their policy implementation, program management and expenditure of public funds.

### Our Work

We conduct performance audits (also called management or operations audits), which examine the efficiency and effectiveness of government programs or agencies, as well as financial audits, which attest to the fairness of financial statements of the State and its agencies.

Additionally, we perform procurement audits, sunrise analyses and sunset evaluations of proposed regulatory programs, analyses of proposals to mandate health insurance benefits, analyses of proposed special and revolving funds, analyses of existing special, revolving and trust funds, and special studies requested by the Legislature.

We report our findings and make recommendations to the Governor and the Legislature to help them make informed decisions.

*For more information on the Office of the Auditor, visit our website:*  
<http://auditor.hawaii.gov>

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## Foreword

This report compiles our analyses of new special and revolving funds proposed by 2020 legislative bills. The analyses were prepared in accordance with Section 23-11, Hawai‘i Revised Statutes, which requires the Auditor to analyze all legislative bills introduced each session that propose to establish new special or revolving funds. Our work was performed from January to February 2020.

Leslie H. Kondo  
State Auditor



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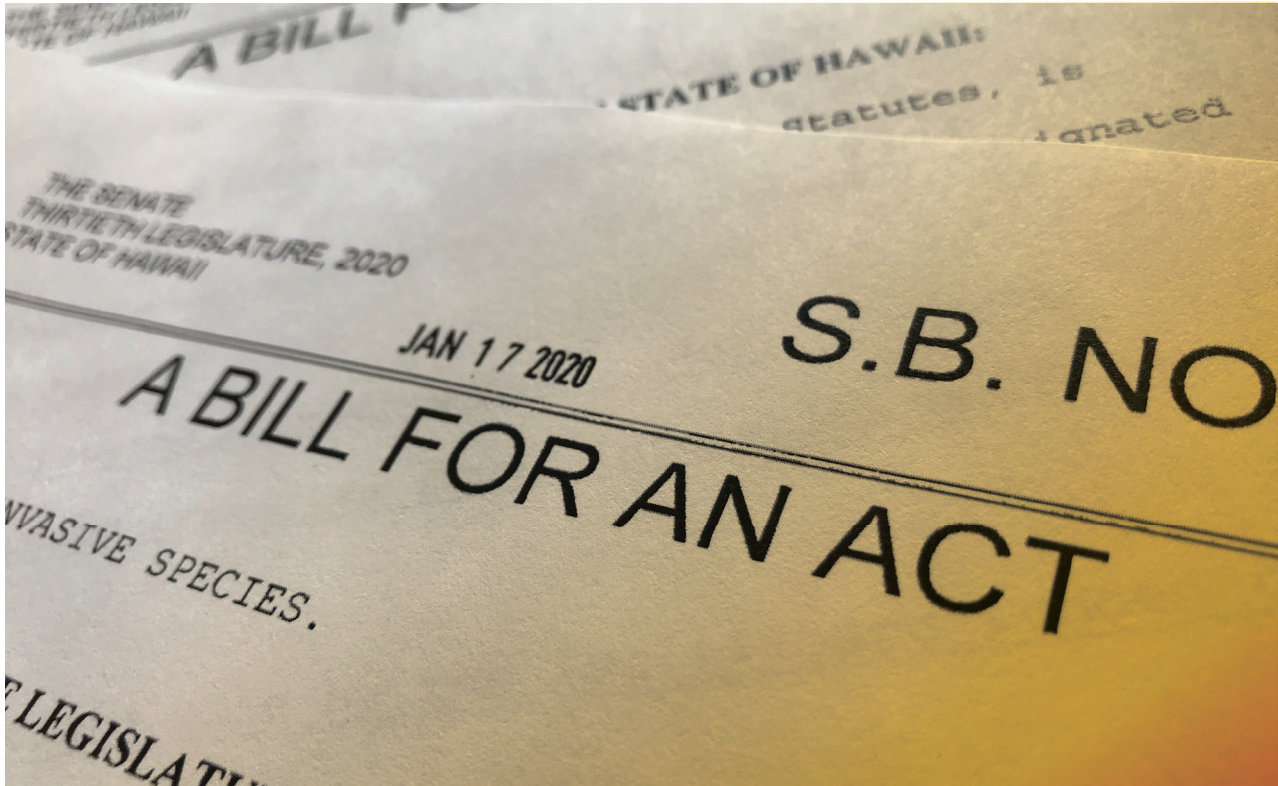


PHOTO: OFFICE OF THE AUDITOR

## Analyses of Proposed Special and Revolving Funds 2020

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### Introduction

Section 23-11, Hawai'i Revised Statutes (HRS), requires the Auditor to analyze all legislative bills introduced each session that propose to establish new special or revolving funds. Specifically, the Auditor's analysis of each bill must be based on the following criteria:

1. The need for the fund, as demonstrated by:
  - a. The purpose of the program to be supported by the fund;
  - b. The scope of the program, including financial information on fees to be charged, sources of projected revenue, and costs; and
  - c. An explanation of why the program cannot be implemented successfully under the general fund appropriation process; and
2. Whether there is a clear nexus between the benefits sought and charges made upon the program users or beneficiaries or a clear link between the program and the sources of revenue, as opposed

to serving primarily as a means to provide the program or users with an automatic means of support that is removed from the normal budget and appropriation process.

We sent surveys to bill introducers requesting information about the proposed funds for this session, including the need for the fund as set forth in Section 23-11(b)(1), HRS, and nexus as required by Section 23-11(b)(2), HRS.

Our review included survey responses and statutory criteria; we include with each analysis an assessment of alternative forms of funding and, where we are able, the probable effects of the proposed fund.

We reviewed 99 House and Senate bills proposing 63 special and revolving funds during the 2020 legislative session. None satisfied the criteria set forth in Section 23-11, HRS, for proposed special and revolving funds. References to House Draft and Senate Draft versions reflect bill status at the time of our review.

Exhibit 1 summarizes the results of our analyses.

**Exhibit 1**  
**Analyses of Proposed Special and Revolving Funds 2020**

<b>Bill</b>	<b>Fund Name</b>	<b>Only Funding Source</b> HRS § 23-11(b)(1)	<b>Nexus</b> HRS § 23-11(b)(2)	<b>Meets Criteria</b>
SB2625	Affordable Homeownership Revolving Fund	N	P	N
SB2660	Affordable Homeownership Revolving Fund	N	P	N
HB1949	Affordable Homeownership Revolving Fund	N	P	N
HB2014	Affordable Homeownership Revolving Fund	N	P	N
SB2708	Agricultural Enterprise Special Fund	N	P	N
SB2830	Agricultural Enterprise Special Fund	N	P	N
HB2190	Agricultural Enterprise Special Fund	N	P	N
HB2274	Agricultural Enterprise Special Fund	N	P	N
SB2282	Agricultural Theft Enforcement Special Fund	N	P	N
HB2189	Agricultural Theft Enforcement Special Fund	N	P	N
SB2980	All-Payer Health Care Revolving Fund	N	Y	N
SB3128	All-Payer Health Care Revolving Fund	N	Y	N
HB2108	All-Payer Health Care Revolving Fund	N	Y	N
SB2946	ALOHA Homes Revolving Fund	N	U	N
HB2440	ALOHA Homes Revolving Fund	N	U	N
HB2175	Automated Speed Enforcement Systems Program Special Fund	N	Y	N
SB2236	Automated Speed Enforcement Systems Program Special Fund	N	Y	N
HB2728	Blue Lives Matter Special Fund	N	N	N
SB2301	Cigarette Litter Abatement Special Fund	N	P	N
HB1844	Clean Energy And Energy Efficiency Revolving Loan Fund	N	P	N
SB2564	Clean Energy Revolving Loan Fund	N	Y	N
SB2854	Clean Energy Revolving Loan Fund	N	Y	N
HB2298	Clean Energy Revolving Loan Fund	N	Y	N
SB3022	Clean Vehicle Special Fund	N	P	N
HB2493	Clean Vehicle Special Fund	N	P	N
HB1686	Climate Change Countermeasures Special Fund	N	N	N
HB2574	Crime Prevention Special Fund	N	Y	N
SB2546	Division Of Aerospace Development Special Fund	N	P	N

Y = Yes   N = No   P = Partial   U = Unclear

Analyses of Proposed Special and Revolving Funds 2020

Bill	Fund Name	Only Funding Source	Nexus	Meets Criteria
		HRS § 23-11(b)(1)	HRS § 23-11(b)(2)	
SB3136	Drug Disposal Special Fund	N	P	N
HB2237	Drug Disposal Special Fund	N	P	N
SB2484	Education Research And Development Revolving Fund	N	Y	N
HB2462	Electric Vehicle Rebate Special Fund	N	P	N
SB2777	Environmental Council Special Fund	N	P	N
SB2271	Football Helmet Recertification Special Fund	N	Y	N
HB2204	Football Helmet Recertification Special Fund	N	Y	N
SB2063	Hawai'i After-School Program For Youth Special Fund	N	P	N
HB2264	Hawai'i Broadband Advisory Council Special Fund	N	P	N
HB2744	Hawai'i Gun Violence Prevention Center Special Fund	N	P	N
SB2834	Hawai'i Hemp Processing Special Fund	N	P	N
HB2278	Hawai'i Hemp Processing Special Fund	N	P	N
SB2834	Hawai'i Hemp Production Program Special Fund	N	P	N
HB2278	Hawai'i Hemp Production Program Special Fund	N	P	N
SB2479	Hawai'i Justice League Revolving Fund	N	P	N
HB2656	Hawai'i Justice League Revolving Fund	N	P	N
SB2489	Hawai'i Retirement Savings Program Administrative Fund	N	P	N
SB2390	Hawaiian Language Fluency Special Fund	N	U	N
SB2885	Hazard Mitigation Special Fund	N	P	N
HB2329	Hazard Mitigation Special Fund	N	P	N
SB2441	Health Care Provider Loan Guarantee Special Fund	N	Y	N
HB1819	Hemp Regulatory Special Fund	N	Y	N
SB2695	Housing Incentive Fund	N	P	N
HB2645	Housing Incentive Fund	N	P	N
SB2733	Intervenor Compensation Special Fund	N	U	N
SB2161	Invasive Species Rapid Response Special Fund	N	N	N
HB1770	Invasive Species Rapid Response Special Fund	N	N	N
HB2265	Invasive Species Rapid Response Special Fund	N	N	N
SB2647	Landlord Incentive Program Special Fund	N	P	N
SB3101	Learning To Grow Trust Fund	N	P	N
HB2543	Learning To Grow Trust Fund	N	P	N

Y = Yes   N = No   P = Partial   U = Unclear

Bill	Fund Name	Only Funding Source	Nexus	Meets Criteria
		HRS § 23-11(b)(1)	HRS § 23-11(b)(2)	
SB2669	Lottery And Gaming Special Fund	N	N	N
HB2667	Lottery And Gaming Special Fund	N	N	N
SB2265	Micro Enterprise Assistance Program On Hawaiian Home Lands Revolving Fund	N	P	N
SB3009	Moanalua High School Performing Arts Center Special Fund	N	Y	N
HB2488	Moanalua High School Performing Arts Center Special Fund	N	Y	N
SB2822	Motor Vehicle Redemption Special Fund	N	Y	N
SB2061	No Child Left Inside Grant Program Special Fund	N	P	N
SB2891	Office Of Youth Services Revolving Fund	N	P	N
HB2335	Office Of Youth Services Revolving Fund	N	P	N
SB2994	Photo Red Light Imaging Detector Systems Special Fund	N	Y	N
HB2008	Photo Red Light Imaging Detector Systems Special Fund	N	Y	N
HB2584	Poker Regulation Special Fund	N	P	N
SB3045	Prescription Affordability Special Fund	N	P	N
HB2561	Prescription Affordability Special Fund	N	P	N
HB2144	Quality Education Special Fund	N	N	N
SB2409	Returning Resident Down Payment Special Fund	N	N	N
SB2874	Safe Home Program Trust Fund	N	Y	N
HB2318	Safe Home Program Trust Fund	N	Y	N
SB3103	School Facilities Special Fund	N	P	N
HB2544	School Facilities Special Fund	N	P	N
SB2999	Self-Help Homeownership Housing Revolving Fund	N	P	N
HB2472	Self-Help Homeownership Housing Revolving Fund	N	P	N
HB1810	Shipping Container Inspection Program Special Fund	N	P	N
SB2951	Short-Term Rental Assistance Revolving Fund	N	U	N
HB1684	Solid Waste Management Research And Development Special Fund	N	N	N
SB3167	Stadium Development Special Fund	N	P	N
HB2520	Stadium Development Special Fund	N	P	N
SB2235	State Drug And Alcohol Toxicology Testing Laboratory Special Fund	N	P	N
HB2003	State Drug And Alcohol Toxicology Testing Laboratory Special Fund	N	P	N

Y = Yes N = No P = Partial U = Unclear

Bill	Fund Name	Only Funding Source	Nexus	Meets Criteria
		HRS § 23-11(b)(1)	HRS § 23-11(b)(2)	
SB2825	State Lottery Prize Revolving Fund	N	Y	N
SB2825	State Lottery Revolving Fund	N	P	N
HB2160	State Tree Nursery Special Fund	N	N	N
HB1908	State Water And Sewer Surcharge Special Fund	N	Y	N
SB3155	Teacher Salary Special Fund	N	N	N
SB2446	Transportation Energy Transformation Grant Fund	N	Y	N
SB3115	Waiakea Peninsula Redevelopment District Revolving Fund	N	P	N
HB2578	Waiakea Peninsula Redevelopment District Revolving Fund	N	P	N
SB2745	West O'ahu Community Development Revolving Fund	N	Y	N
SB2509	Wildlife Conservation Special Fund	N	P	N
HB1675	Wildlife Conservation Special Fund	N	P	N

Y = Yes    N = No    P = Partial    U = Unclear

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# Affordable Homeownership Revolving Fund

## S.B. No. 2625, S.D. 1; S.B. No. 2660; H.B. No. 1949, H.D. 1; and H.B. No. 2014

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the Affordable Homeownership Revolving Fund to be administered by the Hawai'i Housing Finance and Development Corporation. The purpose of the fund is to provide loans for the development of affordable for-sale housing projects to facilitate greater homeownership opportunities for Hawai'i residents. Revenues for the fund are from sums appropriated by the Legislature, private contributions, proceeds from repayment of loans, interest, other returns, and moneys from other sources. S.B. No. 2660 and H.B. No. 2014 also propose that an unspecified amount of general funds be appropriated into the fund for fiscal year 2021. Moneys in the fund will be used to provide loans for the development, pre-development, construction, acquisition, preservation, and substantial rehabilitation of affordable for-sale housing units. However, S.B. No. 2660 and H.B. No. 2014 would allow moneys in the fund to also be used for qualified nonprofit housing trust programs and capacity building of nonprofit housing developers and land trusts.

#### Analysis

**These bills do not satisfy criteria for establishing a revolving fund.**

#### Alternative Funding Source

The criteria for demonstrating the need for this revolving fund have not been met because the activities described in the bill can be implemented under the general fund appropriation process. Information provided indicates general funds, including an initial investment by the Legislature, and additional sums based on demand will be required.

#### Nexus or Linkage

Nexus or linkage exists between the activities and revenues from private contributions and proceeds from repayment of loans; interest; and other returns. However, nexus or linkage does not exist between the program and continued support from legislative appropriations. It is unclear whether nexus or linkage exists between the program and "moneys from other sources."



# Agricultural Enterprise Special Fund

## S.B. No. 2708, S.D. 1; S.B. No. 2830; H.B. No. 2190, H.D. 1; and H.B. No. 2274

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the Agricultural Enterprise Special Fund and the Agricultural Enterprise Program to be administered by the Department of Agriculture. The purpose of the Agricultural Enterprise Program is to plan, design, construct, operate, manage, maintain, repair, demolish, and remove infrastructure or improvements on any lands over which the Department of Agriculture has jurisdiction, to support and promote agriculture, and to accept from the Department of Land and Natural Resources the transfer of any lands that will support an agricultural purpose and to operate or manage those resources. Revenues for the fund are from legislative appropriations to the fund and all lease rent, fees, penalties, and any other revenue or funds collected from agricultural enterprise lands and agricultural enterprises, together with the revenue or funds collected from agricultural enterprise lands and agricultural enterprises that are transferred, or in the process of being transferred, to the Department of Agriculture. S.B. No. 2708, S.D. 1, also proposes that \$1,200,000 of general funds be appropriated into the fund for fiscal year 2021. Moneys in the fund will be used for planning, designing, constructing, operating, maintaining, managing, repairing, demolishing, and removing infrastructure or improvements on agricultural enterprise lands and for agricultural enterprises.

#### Analysis

**These bills do not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the program. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented under the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the program and revenues from lease rent, fees, penalties, and other revenue or funds collected from agricultural enterprise lands and agricultural enterprises that are transferred, or in the process of being transferred, to the Department of Agriculture. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.

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# Agricultural Theft Enforcement Special Fund

## S.B. No. 2282 and H.B. No. 2189

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the Agricultural Theft Enforcement Special Fund and an Agricultural Theft Enforcement Program to be administered by the Department of Agriculture. The purpose of the program is to enforce the offense of theft of an agricultural product or commodity by endowing the Board of Agriculture with police powers and agricultural theft officers with all the powers and authority of a police officer. Revenues for the fund are from grants, awards, donations, gifts, transfers, or moneys derived from public or private sources for the purposes of this program; and fees, reimbursements, administrative charges, and penalties collected for activities related to the enforcement of laws and rules protecting agricultural products or commodities; interest, dividends, or other income from the above-mentioned sources; and appropriations by the Legislature to the fund. Moneys in the fund will be used for a multitude of purposes, including, among other things, training, research, equipment, preparation and dissemination of information to the public, and data collection.

#### Analysis

**These bills do not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the program. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented under the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the program and grants, awards, donations, gifts, transfers, or moneys derived from public or private sources for the purposes of the program; fees, reimbursements, administrative charges, and penalties; and interest, dividends or other income from the above-mentioned sources. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.

# All-Payer Health Care Revolving Fund S.B. No. 2980; S.B. No. 3128; and H.B. No. 2108 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

These bills propose to establish the All-Payer Health Care Revolving Fund and the All-Payer Health Care Pilot Program to be administered by the Hawai'i Health Authority in collaboration with the Department of Health. The purpose of the program is to ensure all "payers," or entities that pay or administer the payment of health insurance claims to providers in the State, with an existing relationship with a provider hospital pay the same standardized fees for a given service. Revenues for the fund are from contributions made by provider hospitals to the fund. Moneys in the fund will be used to pay each "provider hospital" a lump sum based on the percentage of a "global operating budget" prepared by the Hawai'i Health Authority, in collaboration with the Department of Health and the provider hospitals participating in the program.

## Analysis

**These bills do not satisfy criteria for establishing a revolving fund.**

## Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the program. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented under the general fund appropriation process was not provided.

## Nexus or Linkage

Nexus or linkage exists between the program and revenues from contributions made by provider hospital to the fund.

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# ALOHA Homes Revolving Fund S.B. No. 2946 and H.B. No. 2440 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

These bills propose to establish the ALOHA Homes Revolving Fund and the ALOHA Homes Program to be administered by the Hawai'i Housing Finance and Development Corporation (Corporation). The purpose of the program is to facilitate the creation of low-cost, high-density leasehold homes for sale to Hawai'i residents on state-owned land near public transit stations and to develop the ALOHA Homes Demonstration Project. Revenues for the fund are from all receipts and revenues of the Corporation. These bills also propose that an unspecified amount of general funds be appropriated into the ALOHA Homes Revolving Fund for fiscal year 2021. Moneys in the fund will be used for the purposes of the program.

## Analysis

**These bills do not satisfy criteria for establishing a revolving fund.**

## Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the program. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented under the general fund appropriation process was not provided.

## Nexus or Linkage

It is unclear whether nexus or linkage exists between the scope of the fund's allowable expenditures ("for the purposes of this subpart") and its means of financing ("all receipts and revenues of the Corporation").

# Automated Speed Enforcement Systems Program Special Fund S.B. No. 2236 and H.B. No. 2175 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

These bills propose to establish the Automated Speed Enforcement Systems Program Special Fund and the Automated Speed Enforcement Systems Program to be administered by the Department of Transportation. The purpose of the program is the establishment, operation, management, and maintenance of an automated speed enforcement system. Revenues for the fund are from automated speed enforcement system fines. Moneys in the fund will be used by the Department of Transportation for the purposes of the program.

## Analysis

**These bills do not satisfy criteria for establishing a special fund.**

## Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the program. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented under the general fund appropriation process was not provided.

## Nexus or Linkage

Nexus or linkage exists between the program and revenues from proposed automated speed enforcement system fines.

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# Blue Lives Matter Special Fund

## H.B. No. 2728

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Blue Lives Matter Special Fund to be administered by the Police Commission. Revenues for the fund are from a proposed surcharge on overseas passenger tickets on flights arriving and departing the state. Moneys in the fund will be used for recruiting and retaining police officers.

#### Analysis

**This bill does not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the program. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented under the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage does not exist between the fund's activities and a surcharge on overseas passenger tickets on flights arriving and departing the state.

# Cigarette Litter Abatement Special Fund

## S.B. No. 2301, S.D. 1

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Cigarette Litter Abatement Fund to be administered by the Department of Health. Revenues for the fund are from moneys collected from a proposed Cigarette Litter Abatement Excise Tax; legislative appropriations; and gifts, donations, and grants from public agencies and private persons. Moneys in the fund will be used to support outreach and education to curb improper cigarette litter disposal, pay costs to collect and remove cigarette litter from public lands and public spaces, and reimburse a county for costs that county incurs from collecting and removing cigarette litter on public lands and spaces within its control.

#### Analysis

**This bill does not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the activities described in the bill and revenues from moneys collected from a proposed Cigarette Litter Abatement Excise Tax and gifts, donations, and grants. However, nexus or linkage does not exist between the fund's activities and continued support from legislative appropriations.

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# Clean Energy and Energy Efficiency Revolving Loan Fund

H.B. No. 1844

Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

This bill proposes to establish the Clean Energy and Energy Efficiency Revolving Loan Fund to be administered by the Hawai'i Green Infrastructure Authority (Authority). Revenues for the fund are from the portion of the Environmental Response, Energy, and Food Security Tax specified under Section 243-3.5, HRS; funds from federal, state, county, private, or other funding sources; investments from public or private investors; moneys received as repayment of loans and interest payments; and any fees collected by the Authority in regard to the revolving loan fund. Moneys in the fund will be used to provide low-cost loans or other authorized financial assistance for clean energy investments or other authorized uses approved by the Authority and to cover administrative and legal costs of fund and loan management.

## Analysis

**This bill does not satisfy criteria for establishing a revolving fund.**

## Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

## Nexus or Linkage

Nexus or linkage exists between the activities described in the bill and revenues from a portion of the Environmental Response, Energy, and Food Security Tax; funds from federal, state, county, private, or other funding sources; investments; moneys received as payments of loans and interest; and any fees collected by the Authority.



# Clean Energy Revolving Loan Fund

## S.B. No. 2564, S.D. 1; S.B. No. 2854; and H.B. No. 2298

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the Clean Energy Revolving Loan Fund to be administered by the Hawai'i Green Infrastructure Authority (Authority). Revenues for the fund are from federal, state, county, private, or other funding sources; investments from public or private investors; moneys received as repayment of loans and interest payments; and any fees collected by the Authority for fund management and implementation of the loan fund program. S.B. No. 2564, S.D. 1, would exclude from the fund's source of revenues those fees collected as a result of tariffs approved by the Public Utilities Commission or moneys meant for repaying the public benefits fee. Moneys in the fund will be used to provide low-cost loans at below-market rates or other authorized financial assistance to eligible public, private, and nonprofit borrowers for clean energy investments or other authorized uses; administrative and legal costs of fund management; and management associated with individual loans, including personnel, services, technical assistance, data collection and reporting, materials, equipment, and travel.

#### Analysis

**These bills do not satisfy criteria for establishing a revolving fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the program. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented under the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the program and funds from federal, state, county, private or other funding sources; investments from public and private investors; moneys received as repayment of loans and interest payments; and any fees collected by the Authority under the bill.

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# Clean Vehicle Special Fund

## S.B. No. 3022 and H.B. No. 2493

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the Clean Vehicle Special Fund and the Clean Vehicle Incentive Program to be administered by the Department of Business, Economic Development, and Tourism. The purpose of the program is to establish a market-based clean vehicle incentive program consisting of one-time rebates and one-time taxes on the purchase of new motor vehicles to mitigate against vehicle carbon emissions and to provide a rebate on eligible electric vehicles that have a manufacturer's suggested retail price of \$40,000 or less. Revenues for the fund are from a gasoline-powered vehicle tax, moneys appropriated to the fund by the Legislature; and interest earnings on all amounts in the clean vehicle special fund. Moneys in the fund will be used to provide rebates on qualifying new electric vehicles.

#### Analysis

**These bills do not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the program. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented under the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the program and the proposed gasoline-powered vehicle tax and any interest earnings in the fund. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.

# Climate Change Countermeasures Special Fund

## H.B. No. 1686

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Climate Change Countermeasures Special Fund to be administered by the Board of Land and Natural Resources. Revenues for the fund are from one percent of all assessments, fees, fines, penalties, reimbursements, and taxes collected by the Insurance Division of the Department of Commerce and Consumer Affairs. Moneys in the fund will be used to prevent, ameliorate, cure, undo, or remove damage to the environment that is caused by factors of climate change, including coastal zone erosion, flooding, king tides, wildfires, and the great pacific garbage patch.

#### Analysis

**This bill does not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage does not exist between the activities described in the bill and revenues from one percent of all assessments, fees, fines, penalties, reimbursements, and taxes collected by the Insurance Division of the Department of Commerce and Consumer Affairs.

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# Crime Prevention Special Fund

## H.B. No. 2574

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Crime Prevention Special Fund to be administered by the Department of the Attorney General. Revenues for the fund are from a proposed crime prevention reward fee and interest earned or accrued on moneys in the special fund. Moneys in the fund will be used to compensate any individual for the truthful reporting of a felony under state or county law provided, among other things, that the individual's report of a felony leads to a conviction.

#### Analysis

**This bill does not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the activities described in the bill and the proposed crime prevention reward fee and any interest earned or accrued on moneys in the fund.

# Division of Aerospace Development Special Fund

## S.B. No. 2546

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Division of Aerospace Development Special Fund to be administered by the Hawai'i Technology Development Corporation (Corporation), which is administratively attached to the Department of Business, Economic Development, and Tourism. Revenues for the fund are from revenues, moneys, and fees from services, rentals, publications, royalties, and patents generated under the statutory provisions governing the Corporation; gifts, donations, and grants received by the Division of Aerospace Development; and proceeds from revenue bonds issued by the Director of Finance. However, all moneys remaining in the Division of Aerospace Development Special Fund at the close of each fiscal year that are deemed, by the Director of Finance, to be in excess of the moneys necessary to carry out the purposes of this fund in the next fiscal year will lapse to the credit of the state general fund. Moneys in the fund will be used for the operation, maintenance, and management of the Corporation's projects, facilities, services, and publications and for the design and construction of new facilities and the renovation of or addition to existing facilities

#### Analysis

**This bill does not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the activities described in the bill and gifts, donations, and grants received by the Division of Aerospace Development and the revenues, moneys, and fees from services, rentals, publications, royalties, and patents. It is unclear whether nexus or linkage exists between the activities described in the bill and proceeds from revenue bonds issued by the Director of Finance.

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# Drug Disposal Special Fund

## S.B. No. 3136 and H.B. No. 2237

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the Drug Disposal Special Fund and the Statewide Drug Disposal Program to be administered by the Department of the Attorney General. The purpose of the program is to provide for the safe, secure, and environmentally friendly disposal of drugs in the State. Revenues for the fund are from appropriations by the Legislature to the Drug Disposal Special Fund, grants from the federal government, and grants or donations from private individuals and organizations. These bills also propose that an unspecified amount of general funds be appropriated and deposited into the Drug Disposal Special Fund for fiscal year 2021. Moneys in the fund will be used for the purposes of the program, including grant awards by the Department of the Attorney General to assist in the purchase, operation, or maintenance of a drug disposal repository in the State, or the purchase or distribution of home drug disposal receptacles.

#### Analysis

**These bills do not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the program. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented under the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the program and revenues from federal grants and grants and donations from individuals and organizations. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.

# Education Research and Development Revolving Fund S.B. No. 2484, S.D. 1 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

This bill proposes to establish the Education Research and Development Revolving Fund to be administered by the Department of Education. Revenues for the fund are from all revenues from the commercial adoption of products and services developed by the Department of Education (Department). This bill also proposes that an unspecified amount of general funds be appropriated and deposited into the Education Research and Development Revolving Fund for fiscal year 2021. Moneys deposited into the revolving fund will be used to support the research and development of innovative curriculum, instructional materials, and related technologies.

## Analysis

**This bill does not satisfy criteria for establishing a revolving fund.**

## Alternative Funding Source

The criteria for demonstrating the need for this revolving fund have not been met because the activities described in the bill can be implemented under the general fund appropriation process. The Department reported that development of innovative curriculum, instruction materials, and related technologies can and is being implemented under the general fund appropriation process, but noted that the establishment of a revolving fund would create an incentive for the commercial adoption of products and services by allowing for the retention of revenues. Notwithstanding, we believe our analysis is accurate based upon the information provided.

## Nexus or Linkage

Nexus or linkage exists between the activities described in the bill and revenues from the commercial adoption of products and services developed by the Department.

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# Electric Vehicle Rebate Special Fund

## H.B. No. 2462

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Electric Vehicle Rebate Special Fund and the Electric Vehicle Rebate Program to be administered by the Public Utilities Commission in consultation with the State Energy Office and, potentially, a third-part administrator. Revenues for the fund are from a portion of the Environmental Response, Energy, and Food Security Tax specified under Section 243-3.5, HRS; appropriations made by the Legislature; gifts, grants, and other public and private funds; any federal funds; and all interest and revenue of receipts derived from the fund. Moneys in the fund will be used to provide rebates for the acquisition of new electric vehicles of an amount not to exceed \$2,000 per electric vehicle and for any administrative, operational, training, and marketing costs associated with providing rebates from the Electric Vehicle Rebate Special Fund.

#### Analysis

**This bill does not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the program. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented under the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the program and revenues from a portion of the Environmental Response, Energy, and Food Security Tax and gifts, grants, and other public, private, and federal funds. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.



# Environmental Council Special Fund

## S.B. No. 2777

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Environmental Council Special Fund to be administered by the Environmental Council, which is attached to the Department of Health for administrative purposes. Revenues for the fund are from appropriations by the Legislature to the special fund; revenues from the Environmental Response, Energy, and Food Security Tax; gifts, donations, and grants from public agencies, private persons, and private entities; and any interest earned on the balance of the special fund. Moneys in the fund will be used for the functions of the Environmental Council, including soliciting information, opinions, complaints, recommendations, and advice concerning ecology and environmental quality through public hearings or any other means, making recommendations to the director of environmental quality control, and monitoring the progress of state, county, and federal agencies in achieving the State's environmental goals and policies.

#### Analysis

**This bill does not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the activities described in the bill and revenues from the Environmental Response, Energy, and Food Security Tax and from gifts, donations, and grants from public agencies, private persons, and private entities. However, nexus or linkage does not exist between the activities described in the bill and continued support from legislative appropriations.

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# Football Helmet Recertification Special Fund

## S.B. No 2271 and H.B. No. 2204

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the Football Helmet Recertification Special Fund to be administered by the Department of Education. Revenues for the fund are from fines imposed on an individual school's football program for failure to properly recondition and recertify three or more helmets per game, as determined by the referee. Moneys in the fund may be used by the Department of Education for costs and expenses related to the administration and operation of athletic programs at department schools.

#### Analysis

**These bills do not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the activities described in the bill and revenues from fines imposed on school football programs for failure to properly recondition and recertify three or more helmets per game.

# Hawai'i After-School Program for Youth Special Fund S.B. No. 2063, S.D. 1 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

This bill proposes to establish the Hawai'i After-School Program for Youth Special Fund and the Hawai'i After-School Program for Youth to be administered by the Department of Education. Revenues for the fund are from moneys obtained and fees charged to students participating in the program as well as appropriations made by the Legislature. This bill also proposes that an unspecified amount of general funds be appropriated and deposited into the fund for fiscal year 2021. Moneys in the fund will be used to fund the program.

## Analysis

**This bill does not satisfy criteria for establishing a special fund.**

## Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the program. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented under the general fund appropriation process was not provided.

## Nexus or Linkage

Nexus or linkage exists between the program and revenues from moneys obtained and fees charged to students participating in the program. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.

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# Hawai'i Broadband Advisory Council Special Fund

## H.B. No. 2264

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Hawai'i Broadband Advisory Council Special Fund to be administered by the Hawai'i Broadband Advisory Council (Council) within the Executive Office on Broadband Development in the Office of the Governor. The Council will promote statewide access to broadband services and encourage various goals and policies related to statewide access. Revenues for the fund are from appropriations by the Legislature to the Hawai'i Broadband Advisory Council Special Fund; gifts, donations, and grants from public agencies and private persons; moneys directed to the Hawai'i Broadband Advisory Council Special Fund from any other source; and interest accrued by the revenues of the fund. This bill also proposes that an unspecified amount of general funds be appropriated for deposit into the fund for fiscal year 2021. Moneys in the fund will be used to carry out the duties of the Council.

#### Analysis

**This bill does not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the activities described in the bill and revenues from gifts, donations, and grants from public agencies and private persons and moneys directed to the Council. However, nexus or linkage does not exist between the activities described in the bill and continued support from legislative appropriations.

# Hawai'i Gun Violence Prevention Center Special Fund H.B. No. 2744, H.D. 1 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

This bill proposes to establish the Hawai'i Gun Violence Prevention Center Special Fund to be administered by the Gun Violence and Violent Crimes Commission, which is attached to the Department of the Attorney General for administrative purposes only. The purpose of the Commission is to address gun violence and violent crime in Hawai'i and to provide coordination, facilitation, and planning among state and county agencies, federal agencies, and other partners as appropriate to carry out its purpose. Revenues for the fund are from appropriations made by the Legislature, donations and contributions, proceeds from forfeitures pursuant to Chapter 712A, Hawai'i Revised Statutes, and grants provided by governmental agencies or any other source. This bill would also propose that an unspecified amount of general funds be appropriated into the special fund for fiscal year 2021. Moneys in the fund will be used for planning, designing, developing, implementing, and reporting on gun violence prevention policies pursuant to this subpart; providing grants to nongovernmental organizations for gun violence prevention in projects subject to this subpart; and administrative costs.

## Analysis

**This bill does not satisfy criteria for establishing a special fund.**

## Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

## Nexus or Linkage

Nexus or linkage exists between the activities described in the bill and donations and contributions made by private individuals or organizations and grants provided by governments agencies and other sources. However, nexus or linkage does not exist between the activities described in the bill and continued support from legislative appropriations. Additionally, it is unclear whether nexus or linkage exists between the activities described in the bill and proceeds from forfeitures pursuant to Chapter 712A, HRS, without additional information.

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# Hawai'i Hemp Processing Special Fund

## S.B. No. 2834 and H.B. No. 2278

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the Hawai'i Hemp Processing Special Fund and the Hawai'i Hemp Production Program to be administered by the Department of Agriculture (Department). Among other purposes, the program would create a hemp processor registry. Revenues for the fund are from appropriations made by the Legislature to the special fund, any income and capital gains earned by the fund, and any fees or fines collected by the Department of Agriculture pursuant to the program. Moneys in the fund will be used by the Department to establish and regulate a system of registering hemp processors in the State, to fund positions and operating costs authorized by the Legislature, and for any other expenditure necessary, consistent with these bills, to implement the program.

#### Analysis

**These bills do not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the program. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented under the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the program and revenues from fees or fines collected by the Department pursuant to the program and income and capital gains earned by the fund. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.

# Hawai'i Hemp Production Program Special Fund S.B. No. 2834 and H.B. No. 2278 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

These bills propose to establish the Hawai'i Hemp Production Program Special Fund and the Hawai'i Hemp Production Program to be administered by the Department of Agriculture (Department). Among other purposes, the program would license applicants to grow hemp in this State upon the fulfillment of certain conditions. Revenues for the fund are from appropriations made by the Legislature to the special fund, other grants and gifts made to the fund, any income and capital gains earned by the fund, and any fees or fines collected by the Department pursuant to the program. Moneys in the fund will be used by the Department to establish and regulate a system of licensed hemp cultivators in the State; to fund positions and operating costs authorized by the Legislature; and for any other expenditure necessary, consistent with these bills, to implement the program.

## Analysis

**These bills do not satisfy criteria for establishing a special fund.**

## Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the program. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented under the general fund appropriation process was not provided.

## Nexus or Linkage

Nexus or linkage exists between the program and revenues from fees or fines collected by the Department pursuant to the program, income and capital gains earned by the fund, and other grants and gifts to the fund. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.

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# Hawai‘i Justice League Revolving Fund

## S.B. No. 2479 and H.B. No. 2656, H.D. 1

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the Hawai‘i Justice League Revolving Fund and the Hawai‘i Justice League Program to be administered by the University of Hawai‘i William S. Richardson School of Law. The purpose of the program is to encourage lawyers to pursue public interest work in Hawai‘i by providing loan repayment assistance to lawyers who agree to serve for at least five consecutive years as a lawyer pursuing the practice of law in rural areas in Hawai‘i. Revenues for the fund are from any funds appropriated by the Legislature for the Hawai‘i Justice League Program; gifts, donations, and grants from public agencies and private persons; reimbursements of loan repayments under the Hawai‘i Justice League Loan Repayment Assistance Program; proceeds of the operations of the Hawai‘i Justice League Program; and interest earned or accrued on moneys deposited into the fund. These bills also propose that \$50,000 of general funds be appropriated into the revolving fund for fiscal year 2021. Moneys in the fund will be used by the University of Hawai‘i for purposes of the program.

#### Analysis

**These bills do not satisfy criteria for establishing a revolving fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the program. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented under the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the program and revenues from reimbursement of loan repayments under the program; gifts, donations, and grants; and proceeds of the operation of the program. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.



# Hawai'i Retirement Savings Program Administrative Fund

## S.B. No. 2489

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Hawai'i Retirement Savings Program Administrative Fund and the Hawai'i Retirement Savings Program to be administered by the Department of Budget and Finance (Department). The purpose of the program is to establish a Hawai'i retirement savings program for private sector employees. Revenues for the fund are from all fees and interest collected under the program; appropriations made by the Legislature to the fund; and moneys transferred to the fund from the federal government, other state agencies, or local governments. This bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2021. Moneys in the fund will be used to pay the administrative costs and expenses of the Department and program and for any other purpose described in the bill.

#### Analysis

**This bill does not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the program. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented under the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the program and the fees and interest collected under the program. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.

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# Hawaiian Language Fluency Special Fund

## S.B. No. 2390

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Hawaiian Language Fluency Special Fund to be administered by the University of Hawai‘i. This bill does not identify a specific source of revenue for the proposed fund. The purpose of the fund is to provide scholarships and tuition waivers to qualified applicants. This bill proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2021. Moneys in the fund will be used by the University of Hawai‘i for the purposes of the fund.

#### Analysis

**This bill does not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the activities described in the bill. Although expenses for the fund are identified, neither revenue sources nor detailed financial information were provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

#### Nexus or Linkage

It is unclear whether nexus or linkage exists between the activities described in the bill and the fund’s sources of revenue because no source was identified in the bill.

# Hazard Mitigation Special Fund

## S.B. No. 2885, S.D. 1 and H.B. No. 2329, H.D. 1

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the Hazard Mitigation Special Fund to be administered by the Hawai'i Emergency Management Agency (Agency). Revenues for the fund are from all revenues from any recovery or reimbursement of costs and expenses incurred in the mitigation of a hazardous situation and appropriations made by the Legislature for deposit into the fund. S.B. No. 2885, S.D. 1, also proposes that \$5,000,000 of general funds be appropriated into the special fund for fiscal year 2021. H.B. No. 2329, H.D. 1, would appropriate an unspecified amount of general funds for fiscal year 2021. Moneys in the fund will be used for personnel costs and operating and administrative costs deemed necessary by the Agency to administer mitigation of hazardous situations.

#### Analysis

**These bills do not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the activities described in the bill and revenues from any recovery or reimbursement of costs and expenses incurred in the mitigation of a hazardous situation. However, nexus or linkage does not exist between the activities described in the bill and continued support from legislative appropriations.

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# Health Care Provider Loan Guarantee Special Fund

## S.B. No. 2441

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Health Care Provider Loan Guarantee Special Fund to be administered by the Department of Health (Department). Revenues for the fund are from all fees collected or received by the Department for loans guaranteed under the bill; repayments from loans including principal and interest collected or received by the Department under the bill; and all other funds received by the Department and legally available for the purpose of the fund. Moneys in the fund will be used to provide guarantees from private lenders to qualified health care provider borrowers in the State.

#### Analysis

**This bill does not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between providing guarantees from private lenders to qualified health care provider borrowers and revenues from fees collected or received for loans guaranteed under the bill; repayments from loans including principal and interest collected or received by the Department; and all other funds received by the Department.

# Hemp Regulatory Special Fund

## H.B. No. 1819, H.D. 1

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Hemp Regulatory Special Fund, to be administered by the Department of Agriculture (Department). Revenues for the fund are from any moneys appropriated by the Legislature to the special fund for fiscal year 2021, any fees collected by the Department pursuant to the provisions of this bill regarding monitoring and regulation of hemp production, and the interest or return on investments earned from moneys in the special fund. In addition, upon the repeal of the Industrial Hemp Pilot Program pursuant to Act 228, Session Laws of Hawai'i 2016, all unencumbered funds remaining in the Industrial Hemp Special Fund established pursuant to Section 141-41, HRS, will be deposited into the Hemp Regulatory Special Fund. This bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2021. Moneys in the fund will be used to carry out the purposes of the program, including hiring employees, specialists, and consultants as necessary.

#### Analysis

**This bill does not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the program. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented under the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the program and proposed fees collected by the department under the program and interest or return on investments earned from moneys in the fund.

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# Housing Incentive Fund

## S.B. No. 2695 and H.B. No. 2645

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the Housing Incentive Fund to be administered by the Hawai'i Public Housing Authority. Revenues for the fund are from appropriations made by the Legislature funded by general obligation bonds and contributions made by any individual, partnership, firm, association, or corporation. The bill authorizes the Director of Finance to issue general obligation bonds in the sum of \$50,000,000 and the same amount is appropriated for fiscal year 2021 for the purpose of funding the Housing Incentive Fund. Moneys in the fund will be used for the construction, rehabilitation, or preservation of multifamily housing targeted to essential workers and low to moderate income households, including seniors and people with special needs, and for the necessary expenses in administering the fund.

#### Analysis

**These bills do not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the activities described in the bill and revenues from contributions made by any individual, partnership, firm, association, or corporation. However, nexus or linkage does not exist between the activities described in the bill and continued support from legislative appropriations.

# Intervenor Special Compensation Fund

## S.B. No. 2733

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Intervenor Special Compensation Fund and the Intervenor Compensation Program, to be administered by the Department of Commerce and Consumer Affairs. The purpose of the program is to compensate intervenors who make a substantial contribution to a Public Utilities Commission (PUC) proceeding and produce a positive result or savings for consumers. Revenues for the fund are from funds paid by public utilities as required by the PUC. Moneys in the fund will be used to provide awards for intervenor compensation as provided by the bill.

#### Analysis

**This bill does not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the program. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented under the general fund appropriation process was not provided.

#### Nexus or Linkage

It is unclear whether nexus or linkage exists between the program and funds the PUC may order public utilities pay into the fund.

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# Invasive Species Rapid Response Special Fund S.B. No. 2161; H.B. No. 1770, H.D. 1; and H.B. 2265 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

These bills propose to establish the Invasive Species Rapid Response Special Fund to be administered by the Invasive Species Council, which is placed within the Department of Land and Natural Resources for administrative purposes only. The purpose of the fund is to create a paid response mechanism for invasive species so that newly detected threats may be immediately addressed. Revenues for the fund are from appropriations by the Legislature and all interest earned or accrued on money deposited into the fund. These bills also propose that an unspecified amount of general funds be appropriated into the fund for fiscal year 2021. Moneys in the fund will be used by the Invasive Species Council to respond to an invasive species emergency that poses a substantial threat to the agriculture, commerce, economy, environment, or public health of the state or otherwise warrants immediate action.

## Analysis

**These bills do not satisfy criteria for establishing a special fund.**

## Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

## Nexus or Linkage

Nexus or linkage does not exist between the activities described in the bill and appropriations from the Legislature.



# Landlord Incentive Program Special Fund

## S.B. No. 2647, S.D. 1

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Landlord Incentive Program Special Fund and the Landlord Incentive Program to be administered by the Hawai'i Public Housing Authority. Revenues for the fund are from all appropriations made by the Legislature to the special fund, grants, gifts, and interest on moneys therein. This bill also proposes that \$450,000 of general funds be appropriated into the fund for fiscal year 2021. Moneys in the fund will be used to reimburse land owners who participate in the Section 8 Housing Choice Voucher Program to cover repair costs of tenant-caused property damage when the repair costs exceed the tenant's security deposit.

#### Analysis

**This bill does not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the program. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented under the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the program and revenues from grants, gifts, and interest on moneys in the fund. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.

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# Learning to Grow Trust Fund

## S.B. No. 3101 and H.B. No. 2543

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the Learning to Grow Trust Fund and the Learning to Grow Public Prekindergarten Program to be administered by a new Learning to Grow Agency (Agency) within the Department of Human Services. The purpose of the program is to build the infrastructure and develop the resources necessary to achieve the objective of providing all three- to four-year-old children in the State, or children who will be eligible for kindergarten within two years, with access to learning by the year 2030. Revenues for the fund are from fees, grants, donations, appropriations made by the Legislature to the fund, revenues regardless of their source, and earnings on moneys in the fund. Moneys in the fund will be used for the early learning system.

Although labeled a trust fund, we have included this fund in our review and reviewed it against the criteria for establishing a special fund because the fund may also be used by the Governor for other purposes not directly benefiting those designated to benefit from the funds—specifically, funding the salaries of the executive director and any officers, agents, and employees of the Agency.

#### Analysis

**These bills do not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the program. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented under the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the program and grants and donations to the fund. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.

Additionally, it is unclear whether, without additional information, nexus or linkage exists between the program and “revenues regardless of their sources” and “fees” as described in the bills.

# Lottery and Gaming Special Fund S.B. No. 2669 and H.B. No. 2667 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

These bills propose to establish the Lottery and Gaming Special Fund to be administered by the Board of Directors of a Hawai‘i Lottery and Gaming Corporation. Revenues for the fund are from all net proceeds derived from wagering and gaming activities. Moneys in the fund will be allocated to various “community betterment purposes,” including Department of Education “shortage differentials” and capital improvements; University of Hawai‘i system capital improvements; and scholarships and educational loan repayments for medical students who commit to practice medicine in Hawai‘i for ten years after completion of their residency, among others.

## Analysis

**These bills do not satisfy criteria for establishing a special fund.**

## Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

## Nexus or Linkage

Nexus or linkage does not exist between the allocation of funds to various “community betterment purposes” and proceeds derived from wagering and gaming activities.

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# Micro Enterprise Assistance Program on Hawaiian Home Lands Revolving Fund

## S.B. No. 2265, S.D. 1

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Micro Enterprise Assistance Program on Hawaiian Home Lands Revolving Fund to be administered by the Department of Hawaiian Home Lands. Revenues for the fund are from appropriations from the Legislature; federal grants and subsidies to the State; private investments; and voluntary contributions. This bill also proposes that an unspecified amount of general funds be appropriated into the revolving fund for fiscal year 2021. Moneys in the revolving fund will be used to provide grants and loans to qualifying recipients as stated in the bill.

#### Analysis

**This bill does not satisfy criteria for establishing a revolving fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the program. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented under the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the program and grants and subsidies to the State, private investments, and contributions. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.

# Moanalua High School Performing Arts Center Special Fund S.B. No. 3009 and H.B. No. 2488 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

These bills propose to establish the Moanalua High School Performing Arts Center Special Fund to be administered by the Department of Education. Revenues for the fund are from rental income from the Moanalua High School Performing Arts Center and all interest earned or accrued on moneys deposited in the fund. Moneys in the fund will be used for the repair and maintenance of the Moanalua High School Performing Arts Center.

## Analysis

**This bill does not satisfy criteria for establishing a special fund.**

## Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

## Nexus or Linkage

Nexus or linkage exists between the activities described in the bill and rental income from the Moanalua High School Performing Arts Center.

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# Motor Vehicle Redemption Special Fund

## S.B. No. 2822

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Motor Vehicle Redemption Special Fund and Motor Vehicle Redemption Program administered by the Department of Transportation. The purpose of the Motor Vehicle Redemption Program is to allow used motor vehicles to be redeemed in exchange for a refund of the motor vehicle redemption fee imposed on every motor vehicle purchased in the State. Revenues for the fund are from the proposed motor vehicle redemption fee. This bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2021. Moneys in the fund will be used to administer the Motor Vehicle Redemption Program.

#### Analysis

**This bill does not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the program. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented under the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the program and revenues from the proposed motor vehicle redemption fee.

# No Child Left Inside Grant Program Special Fund S.B. No. 2061, S.D. 1 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

This bill proposes to establish the No Child Left Inside Grant Program Special Fund and the No Child Left Inside Grant Program to be administered by the Department of Land and Natural Resources (Department). The purpose of the No Child Left Inside Grant Program is to provide resources and support to public agencies, private organizations, and individuals in establishing and maintaining outdoor education and recreation programs for children. Revenues for the fund are from appropriations by the Legislature to the special fund; gifts, donations, and grants received by the program; moneys directed to the Department for purposes of the program from any other source; and all interest earned or accrued on moneys deposited into the fund. Moneys in the fund will be used for awarding grants and administration of the No Child Left Inside Grant Program.

## Analysis

**This bill does not satisfy criteria for establishing a special fund.**

## Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the program. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented under the general fund appropriation process was not provided.

## Nexus or Linkage

Nexus or linkage exists between the program and gifts, donations, and grants received by the No Child Left Inside Grant Program and moneys directed to the Department for purposes of the program. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.

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# Office of Youth Services Revolving Fund

## S.B. No. 2891 and H.B. No. 2335, H.D. 1

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the Office of Youth Services Revolving Fund and to permit individual vocational programs within the purview of the Office of Youth Services to engage in commercial enterprises. Revenues for the fund are from all moneys collected from the sale of goods and services by individual vocational programs that engage in commercial enterprise; the for-profit activity of providing goods and services; and appropriations made by the Legislature. S.B. No. 2891 also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2021. Moneys in the fund will be used for the purposes of vocational programs within the Office of Youth Services.

#### Analysis

**These bills do not satisfy criteria for establishing a revolving fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the activities described in the bill and revenues from moneys collected from the sale and for-profit activity of goods and services by the vocational programs. However, nexus or linkage does not exist between the activities described in the bill and continued support from legislative appropriations.



# Photo Red Light Imaging Detector Systems Special Fund

## S.B. No. 2994 and H.B. No. 2008

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the Photo Red Light Imaging Detector Systems Special Fund and the Photo Red Light Imaging Detector Systems Program to be administered by the Department of Transportation (Department). The purpose of the program is to improve enforcement of the traffic-control signal laws of the State. Revenues for the fund are from fines collected by the program. Moneys in the fund will be expended by the Department in the county in which the fine was imposed for the establishment, operation, management, and maintenance of a photo red light imaging detector system.

#### Analysis

**These bills do not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the program. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented under the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the operation and maintenance of the program and fines collected by the program.

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# Poker Regulation Special Fund

## H.B. No. 2584

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Poker Regulation Special Fund and the Poker Commission (Commission), which will be attached to the Department of Business, Economic Development, and Tourism for administrative purposes. The purpose of the Commission is to oversee the licensing and operation of specified poker activities in the State. Revenues for the fund are from all revenues from the operations of the Poker Commission, including fees and fines collected, and appropriations made by the Legislature to the fund. Moneys in the fund will be used for enforcement operations of the Poker Commission and public outreach and education efforts of the Commission.

#### Analysis

**This bill does not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the activities described in the bill and fees and fines collected by the Commission. However, nexus or linkage does not exist between the activities described in the bill and continued support from legislative appropriations.

# Prescription Affordability Special Fund

## S.B. No. 3045 and H.B. No. 2561

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the Prescription Affordability Special Fund and the Prescription Affordability Commission (Commission) to be administered by the Department of Commerce and Consumer Affairs. The purpose of the Commission is to review prescription drug costs and establish levels of reimbursement and rates. Revenues for the fund are from a prescription affordability assessment imposed on manufacturers, pharmacy benefits managers, health insurance carriers, and wholesale distributors; penalties for failure to pay the prescription affordability assessment; investment earnings of the fund; appropriations from the Legislature; and any other sources of funding. These bills also propose that an unspecified amount of general funds be appropriated into the fund for fiscal year 2021. Moneys in the fund will be used to provide funding for the Commission.

#### Analysis

**These bills do not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the activities described in the bill and the proposed assessments and penalties. However, nexus or linkage does not exist between the activities described in the bill and continued support from legislative appropriations.

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# Quality Education Special Fund

## H.B. No. 2144

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Quality Education Special Fund to be administered by the Department of Education (Department). Revenues for the fund are from additional revenues generated and collected from increases to the income tax of corporations and high earning taxpayers, all other funds received by the Department and legally available for the purposes of the fund, and interest accrued on all amounts in the fund. Moneys in the fund will be used for recruiting and retaining public school teachers, including pay increases for public school teachers; lowering public school class sizes; improving special education staffing and resources; offering additional instruction in career and technical education, arts, music, theatre, dance, Hawaiian studies, and Hawaiian language; and expanding access to public preschool and afterschool programming.

#### Analysis

**This bill does not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage does not exist between the activities described in the bill and additional revenues generated and collected from increases to the income tax of corporations and high earning taxpayers.

# Returning Resident Down Payment Special Fund

## S.B. No. 2409, S.D. 1

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Returning Resident Down Payment Special Fund and the Returning Resident Down Payment Program to be administered by the Hawai‘i Housing and Finance Development Corporation. The purpose of the Returning Resident Down Payment Program is to assist former residents of the State to return to Hawai‘i by assisting them in making down payments for the purchase of primary residences through the award of grants. Subsequently amended, S.B. No. 2409, S.D. 1, expands the program to include current residents as well. Revenues for the fund are from appropriations made by the Legislature to the special fund. This bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2021. Moneys in the fund will be used to award grants to assist Hawai‘i residents with down payments on purchases of primary residences.

#### Analysis

**This bill does not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the program. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented under the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage does not exist between the program and continued support from legislative appropriations.

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# Safe Home Program Trust Fund

## S.B. No. 2874 and H.B. No. 2318, H.D. 2

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the Safe Home Program Trust Fund and the Safe Home Program to be administered by the Insurance Division of the Department of Commerce and Consumer Affairs. The purpose of the program is increase hurricane preparedness in Hawai'i by allocating a portion of the moneys earned through interest from the hurricane reserve trust fund's assets to provide grants under a safe home program. Revenues for the fund are from a portion of the moneys earned through interest from the Hurricane Reserve Trust Fund. Moneys in the fund will be used to make grants and to pay for any administrative, personnel, operational, and marketing costs associated with the program.

Although labeled a trust fund, we have included this fund in our review and reviewed it against the criteria for establishing a special fund because the fund may also be used by the Insurance Commissioner for other purposes not directly benefiting those designated to benefit from the funds.

#### Analysis

**These bills do not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the program. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented under the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the program and revenues from a portion of the moneys earned through interest from the Hurricane Reserve Trust Fund.

# School Facilities Special Fund

## S.B. No. 3103 and H.B. No. 2544

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the School Facilities Special Fund and the School Facilities Agency to be placed within the Department of Education (Department) for administrative purposes only. The School Facilities Agency will be responsible for all public school development, planning, and construction related to capital improvement projects assigned by the Legislature, Governor, or Board of Education. Revenues for the fund are from (1) all moneys appropriated by the Legislature for any public school development, planning, or construction related to a capital improvement project; (2) revenues pursuant to Section 302A-1608(a), HRS; (3) any other moneys received by the Department in the form of a grant, gift, endowment, or donation for any public school development, planning, or construction related to a capital improvement project; (4) all moneys allocated to the fund by the Governor or Board for a project; (5) any other appropriation by the Legislature to the fund; and (6) income and capital gains earned by the fund. Moneys in the fund will be used to fund any school construction, repair, or maintenance project within the jurisdiction of the School Facilities Agency.

#### Analysis

**These bills do not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the activities described in the bill. An explanation of why the program cannot be successfully implemented through the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the activities described in the bill and school impact fee revenues; moneys received by the Department in the form of a grant, gift, endowment, or donation for any public school development, planning, or construction related to a capital improvement project; and income and capital gains earned by the fund. However, nexus or linkage does not exist between the activities described in the bill and continued support from legislative appropriations. It is unclear whether nexus or linkage exists between the activities described in the bill and “moneys allocated to the fund by the Governor or Board for a project.”

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# Self-Help Homeownership Housing Revolving Fund

## S.B. No. 2999 and H.B. No. 2472

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the Self-Help Homeownership Housing Revolving Fund to support the development of affordable homeownership housing projects under a self-help housing program administered by the Hawai'i Housing Finance and Development Corporation (Corporation). Revenues for the fund are from sums appropriated by the Legislature, private contributions, proceeds from repayment of loans, interest, other returns, and moneys from other sources. These bills also propose that an unspecified amount of general funds be appropriated into the fund for fiscal year 2021. Moneys in the fund will be used for administrative expenses incurred by the Corporation and to provide loans for the development, pre-development, construction, acquisition, and substantial rehabilitation of affordable for-sale housing units under a self-help program, including planning, design, and land acquisition, among other things.

#### Analysis

**These bills do not satisfy criteria for establishing a revolving fund.**

#### Alternative Funding Source

The criteria for demonstrating the need for this revolving fund have not been met because the program can be implemented under the general fund appropriation process.

#### Nexus or Linkage

Nexus or linkage exists between the program and proceeds from repayment of loans, interest, and other returns. However, although nexus or linkage exists between legislative appropriations used as seed moneys to establish the fund, nexus or linkage does not exist between the program and continued support from legislative appropriations.



# Shipping Container Inspection Program Special Fund H.B. No. 1810, H.D. 1 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

This bill proposes to establish the Shipping Container Inspection Program Special Fund and the Shipping Container Inspection Program to be administered by the Department of Public Safety. The purpose of the Shipping Container Inspection Program is to randomly inspect shipping containers arriving in the State for illegal fireworks and explosives, and includes the use of explosive-sniffing dogs to inspect the containers. Revenues for the fund are from appropriations by the Legislature; gifts, donations, and grants from public agencies and private persons; and all proceeds collected by the Department of Transportation from a proposed shipping container import fee on each shipping container arriving in the State. This bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2021. Moneys in the fund will be used for support and administration of the program.

## Analysis

**This bill does not satisfy criteria for establishing a special fund.**

## Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the program. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented under the general fund appropriation process was not provided.

## Nexus or Linkage

Nexus or linkage exists between the program and revenues from the proposed shipping container import fee. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.

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# Short-Term Rental Assistance Revolving Fund

## S.B. No. 2951

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Short-Term Rental Assistance Revolving Fund and the Short-Term Rental Assistance Program to be administered by the Hawai‘i Public Housing Authority. The purpose of the program is to provide individuals or families with up to 24 months of rental assistance. Revenues for the fund are from “moneys received or collected by the [Hawai‘i Public Housing Authority] pursuant to this part.” However, no specific revenue sources are identified in the bill. This bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2021. Moneys in the fund will be used to provide qualifying individuals and families with rental assistance.

#### Analysis

**This bill does not satisfy criteria for establishing a revolving fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the program. Although expenses for the fund are identified, the bill does not explicitly state the fund’s revenue sources and detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented through the general fund appropriation process was not provided.

#### Nexus or Linkage

It is unclear whether nexus or linkage exists because the bill does not identify specific revenue sources. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.

# Solid Waste Management Research and Development Special Fund H.B. No. 1684 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

This bill proposes to establish the Solid Waste Management Research and Development Special Fund to be administered by the Department of Health. Revenues for the fund are from one percent of all general revenues of the State; appropriations made by the Legislature; gifts, donations, and grants from public agencies and private persons; and all interest earned or accrued on moneys deposited in the fund. This bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2021. Moneys in the fund will be used for research and development programs that will assist in the State's management of solid waste.

## Analysis

**This bill does not satisfy criteria for establishing a special fund.**

## Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

## Nexus or Linkage

Nexus or linkage does not exist between research and development programs intended to assist in the State's management of solid waste and one percent of all general revenues of the State and continued support from legislative appropriations.

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# Stadium Development Special Fund

## S.B. No. 3167 and H.B. No. 2520

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the Stadium Development Special Fund and a Stadium Development District to be administered by the Stadium Development Authority. The purpose of the Stadium Development District is to facilitate the development of all property belonging to the State within the district. Revenues for the fund are from all revenues from the operations of the Stadium Development District; all proceeds from revenue bonds issued by the Stadium Authority; and all appropriations made by the Legislature to the fund. Moneys in the fund will be used for development and operation expenses for the Stadium Development District.

#### Analysis

**These bills do not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the development and operation expenses for the Stadium Development District and all revenues from the operations of the Stadium Development District. However, nexus or linkage does not exist between the activities described in the bill and continued support from legislative appropriations.

# State Drug and Alcohol Toxicology Testing Laboratory Special Fund S.B. No. 2235 and H.B. No. 2003, H.D. 1 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

These bills propose to establish the State Drug and Alcohol Toxicology Testing Laboratory Special Fund. S.B. No. 2235 would establish a fund administered by the Department of Public Safety while H.B. No. 2003, H.D. 1, would establish a fund administered by the Department of Health. Revenues for the fund are from fines collected from repeat offenders, habitual offenders, and offenders who operate a vehicle after their license and privilege have been suspended or revoked for operating a vehicle under the influence of an intoxicant pursuant to Sections 291E-61(b), -61.6(d), and -62(c), HRS; moneys appropriated by the Legislature to the fund; other grants and gifts made to the fund; and any income and capital gains earned by the fund. Moneys in the fund will be used to support a state drug and alcohol toxicology laboratory.

## Analysis

**These bills do not satisfy criteria for establishing a special fund.**

## Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

## Nexus or Linkage

Nexus or linkage exists between the activities described in the bill and fines collected from certain offenders for operating a vehicle under the influence of an intoxicant. However, nexus or linkage does not exist between the activities described in the bill and continued support from legislative appropriations.

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# State Lottery Prize Revolving Fund

## S.B. No. 2825

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the State Lottery Prize Revolving Fund and a State Lottery to be administered by a Hawai‘i State Lottery Commission established within the Department of Accounting and General Services for administrative purposes only. The purpose of the State Lottery is to “produce the maximum amount of net revenue consistent with the dignity of the State.” Revenues for the fund are from a portion (but not less than 50 percent) of the total annual revenues accruing from the sale of lottery tickets or shares. Moneys in the fund will be used for payment of prizes to the holders of winning lottery tickets or shares.

#### Analysis

**This bill does not satisfy criteria for establishing a revolving fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the program. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented under the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the program and a portion of the total annual revenues accruing from the sale of lottery tickets.

# State Lottery Revolving Fund

## S.B. No. 2825

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the State Lottery Revolving Fund and a State Lottery to be administered by a Hawai'i State Lottery Commission established within the Department of Accounting and General services for administrative purposes only. The purpose of the State Lottery is to “produce the maximum amount of net revenue consistent with the dignity of the State.” Revenues for the fund are from the sale of lottery tickets, fees, and all other moneys credited or transferred from any other fund or source, except for those moneys set aside for payment of prizes. Moneys in the fund will be used for the expenses of the commission incurred in carrying out its powers and duties and in the operation of the lottery.

#### Analysis

**This bill does not satisfy criteria for establishing a revolving fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the program. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented under the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the program and the sale of lottery tickets and fees. However, without additionally information, it is unclear whether nexus or linkage exists between the program and “other moneys credited or transferred from any other fund or sources.”

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# State Tree Nursery Fund

## H.B. No. 2160

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the State Tree Nursery Fund to be administered by the Department of Land and Natural Resources. The bill does not identify a source of revenues for the fund. However, the bill proposes an unspecified amount of general funds be appropriated into the fund for fiscal year 2021. Moneys in the fund will be used to expand and increase the existing plant stocks of the State Tree Nursery; invest in renovation and update the equipment and facilities of the State Tree Nursery; and invest in public outreach and education regarding the benefits of trees and plants in providing soil health and their appropriate uses in the agricultural setting.

#### Analysis

**This bill does not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage does not exist between the activities described in the bill and continued support from legislative appropriations.



# State Water and Sewer Surcharge Special Fund

## H.B. No. 1908

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the State Water and Sewer Surcharge Special Fund and the Water and Sewer Infrastructure Grant Program to be administered by the Hawai'i Community Development Authority. The purpose of the program is to provide grants to counties for repair and maintenance of existing water or sewer infrastructure and for construction of new water or sewer infrastructure. Revenues for the fund are from a portion of the "state water and sewer surcharge" established by the bill. Moneys in the fund will be used to support the Water and Sewer Infrastructure Grant Program.

#### Analysis

**This bill does not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the program. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the program cannot be successfully implemented under the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the Water and Sewer Infrastructure Grant Program and the proposed state water and sewer surcharge imposed by the counties.

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# Teacher Salary Special Fund

## S.B. No. 3155

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Teacher Salary Special Fund to be administered by the Department of Education. Revenues for the fund are from a portion of tax revenues realized by the State that are paid on any new construction of commercial real estate projects pursuant to Section 237-13(3), HRS, and a portion of conveyance tax revenues collected pursuant to Chapter 247, HRS. Moneys in the fund will be used for teacher salaries and compensation.

#### Analysis

**This bill does not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to pay for teacher salaries and compensation. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the expenditures for teacher salaries and compensation cannot be successfully implemented through the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage does not exist between teachers salaries and compensation and tax revenues realized by the State that are paid on any new construction of commercial real estate projects pursuant to Section 237-13(3), HRS, and a portion of conveyance tax revenues collected pursuant to Chapter 247, HRS.

# Transportation Energy Transformation Grant Fund

## S.B. No. 2446

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

This bill proposes to establish the Transportation Energy Transformation Grant Fund to be administered by the Department of Business, Economic Development, and Tourism. Revenues for the fund are from appropriations made by the Legislature; gifts, grants, and other public and private funds; any federal funds; and all interest and revenue of receipts derived from the fund. This bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2021. Moneys in the fund will be used to provide grants for the acquisition of electric vehicles; establish and fill two full-time equivalent positions to carry out the purposes of this section; and pay for any administrative, operational, training, and marketing costs associated with the transportation energy transformation grant program.

Although described as a “grant fund,” we have included this fund in our review and reviewed it against the criteria for establishing a special fund.

#### Analysis

**This bill does not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate a special fund is needed to support the program. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the activities described in the bill and gifts, grants, and other public and private funds; any federal funds; and all interest and revenue of receipts derived from the fund. However, nexus or linkage does not exist between the activities described in the bill and continued support from legislative appropriations.

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# Waiakea Peninsula Redevelopment Revolving Fund

## S.B. No. 3115 and H.B. No. 2578

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the Waiakea Peninsula Redevelopment Revolving Fund and the Waiakea Peninsula Redevelopment District Planning Committee (Committee) to be administered by the Department of Land and Natural Resources (Department). The purpose of the Committee is to be a policy-making committee for the Waiakea Peninsula Redevelopment District. Revenues for the fund are from fifty percent of revenues, income, and Department receipts from the public lands in the Waiakea Peninsula Redevelopment District; moneys appropriated by the Legislature to the revolving fund; and any gifts, grants, and other funds accepted by the Committee. This bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2021. Moneys in the fund will be used in the Waiakea Peninsula Redevelopment District for the purposes of the Committee.

#### Analysis

**These bills do not satisfy criteria for establishing a revolving fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between activities described in the bill and revenues, income, and receipts from the public lands in the Waiakea Peninsula Redevelopment District. However, nexus or linkage does not exist between the activities described in the bill and continued support from legislative appropriations.

# West Oahu Community Development Revolving Fund S.B. No. 2745 Does Not Meet Criteria

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## Description and Purpose of the Proposed Fund

This bill proposes to establish the West Oahu Community Development Revolving Fund and the West Oahu Community Development Authority (Authority), which will be placed within the Department of Business, Economic Development, and Tourism for administrative purposes. The purpose of the Authority is to develop long-range planning and implementation of improved community development through private enterprise, public development, and regulation. Revenues for the fund are from all receipts and revenues of the authority. Moneys in the fund will be used for the purposes of the Authority.

## Analysis

**This bill does not satisfy criteria for establishing a revolving fund.**

## Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

## Nexus or Linkage

Nexus or linkage exists between the operations of the Authority and receipts and revenues of the Authority.

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# Wildlife Conservation Special Fund

## S.B. No. 2509 and H.B. No. 1675

### Does Not Meet Criteria

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#### Description and Purpose of the Proposed Fund

These bills propose to establish the Wildlife Conservation Special Fund to be administered by the Department of Land and Natural Resources. Revenues for the fund are from a portion of the tax on each barrel of petroleum product sold by a distributor to any retail dealer in the State pursuant to section 243-3.5, HRS; interest attributable to investment of money deposited in the fund; and moneys appropriated to the fund by the Legislature or other sources. Moneys in the fund will be used to maintain capacity for oiled wildlife remediation, response and rehabilitation, and may be used for habitat preservation and enhancement associated with sea level rise.

#### Analysis

**These bills do not satisfy criteria for establishing a special fund.**

#### Alternative Funding Source

There is insufficient information to demonstrate the fund is needed to support the activities described in the bill. Although revenue sources and expenses for the fund are identified in the bill, detailed financial information was not provided. Additionally, an explanation of why the activities described in the bill cannot be successfully implemented through the general fund appropriation process was not provided.

#### Nexus or Linkage

Nexus or linkage exists between the activities described in the bill and a portion of the tax on each barrel of petroleum product sold by a distributor to any retail dealer in the State. However, nexus or linkage does not exist between the activities described in the bill and continued support from legislative appropriations.

