STATE OF HAWAIʻI
OFFICE OF THE AUDITOR
465 S. King Street, Room 500
Honolulu, Hawaiʻi 96813-2917

LESLIE H. KONDO
State Auditor
(808) 587-0800
lao.auditors@hawaii.gov

DEPT. COMM. NO. 362

March 4, 2026

VIA EMAIL (senkouchi@capitol.hawaii.gov)
The Honorable Ronald D. Kouchi
Senate President
415 South Beretania Street
Hawaiʻi State Capitol, Room 409
Honolulu, Hawaiʻi 96813

VIA EMAIL (repnakamura@capitol.hawaii.gov)
The Honorable Nadine K. Nakamura
Speaker, House of Representatives
415 South Beretania Street
Hawaiʻi State Capitol, Room 431
Honolulu, Hawaiʻi 96813

Re: *Analyses of Proposed Special and Revolving Funds 2026*, Report No. 26-07

Dear President Kouchi and Speaker Nakamura:

Pursuant to Section 23-11, Hawaiʻi Revised Statutes, the Office of the Auditor reviewed 76 Senate and House bills from the 2026 legislative session proposing 52 new special and revolving funds. We are attaching a copy of the report compiling our analyses of new special and revolving funds proposed by 2026 legislative bills. The report and summary have also been uploaded to the Legislature's web-based application.

The report is accessible through the Office of the Auditor's website at:
https://files.hawaii.gov/auditor/Reports/2026/26-07.pdf.

The summary is also accessible through the Office of the Auditor's website at:
https://files.hawaii.gov/auditor/Overviews/2026/26-07AuditorSummary.pdf.

If you have any questions about the report, please contact me.

Very truly yours,

Leslie H. Kondo
State Auditor

LHK:lml

Attachments
cc/attach: Members of the Senate
Members of the House of Representatives
Carol Taniguchi, Senate Chief Clerk
Brian Takeshita, House Chief Clerk

Auditor's Summary

Analyses of Proposed Special and Revolving Funds 2026

Report No. 26-07

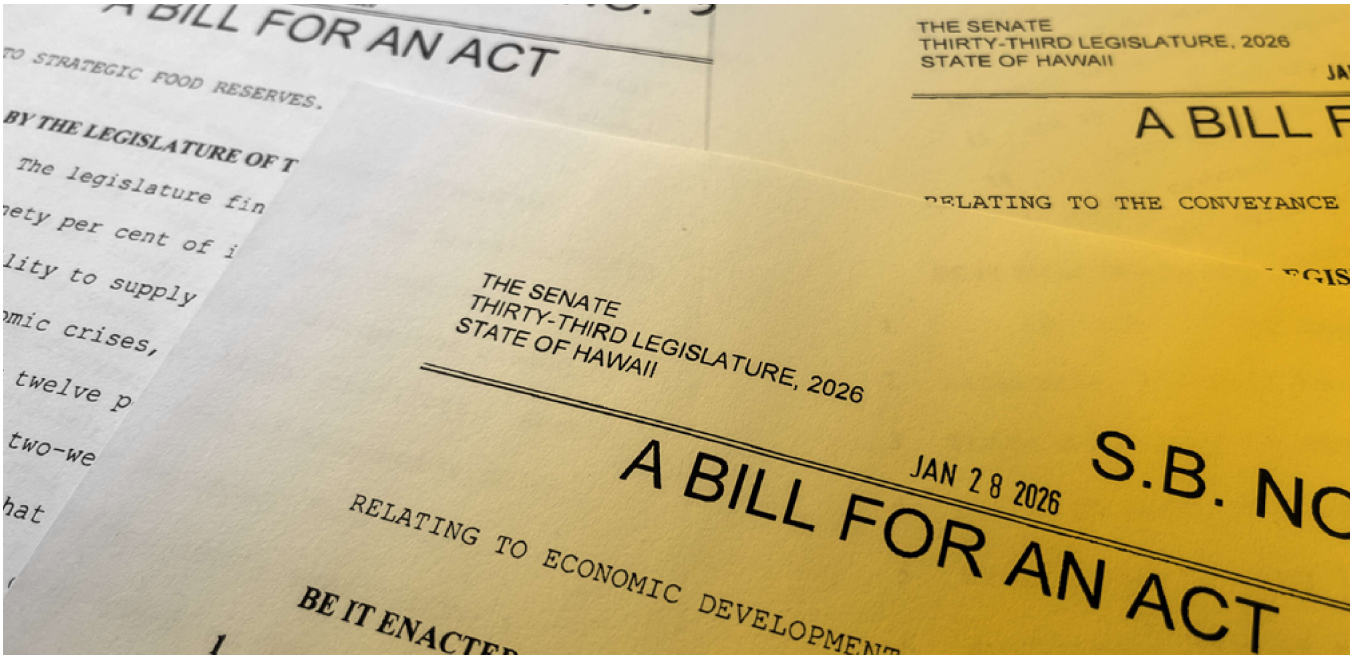


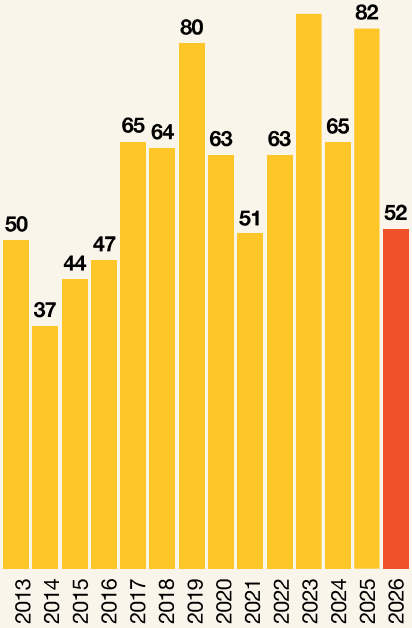
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Fifty-two of the funds proposed in 2026 did not meet criteria.

We reviewed 76 House and Senate bills proposing 52 special and revolving funds during the 2026 legislative session, none of which 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. Between 2008 and 2012, the number of these non-general funds and the amount of money contained in them substantially increased. Much of that upward trend had 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 rein in the proliferation of special and revolving funds over the past 30 years. General funds, which made up about two-thirds of state operating budget outlays in the late 1980s, had dwindled to about half of outlays, eroding the Legislature's ability to control the state budget through the general fund appropriation process and obscuring how much the State has to spend.



Proposed Funds

IN 2026, 52 new funds were proposed.

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.

Seventy-six bills were introduced during the 2026 legislative session, proposing 52 new special and revolving funds. We determined that none of the proposed new special or revolving funds met the criteria in Section 23-11, HRS.

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.

Link to the complete report

https://files.hawaii.gov/auditor/Reports/2026/26-07.pdf

The Audible Audit

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STATE OF HAWAI'I

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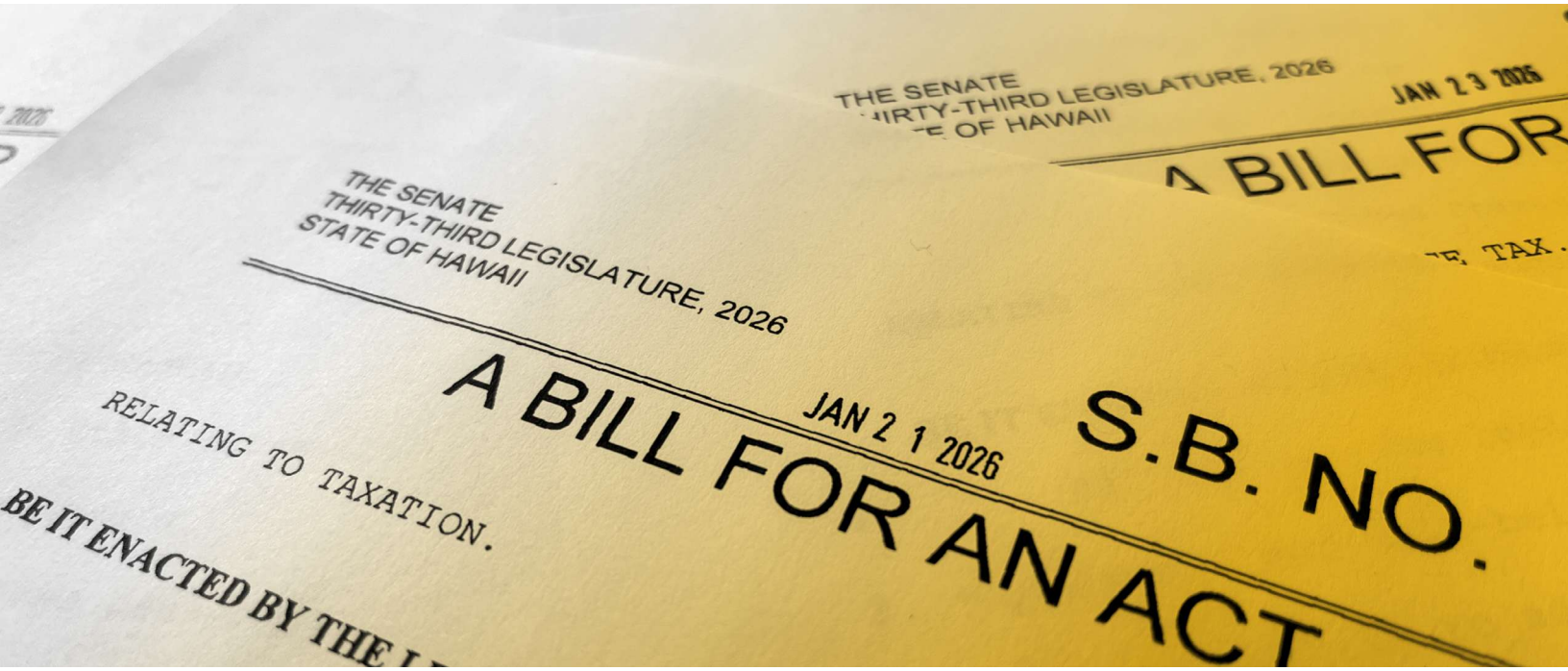
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Analyses of Proposed Special and Revolving Funds 2026

Section 23-11, Hawai‘i Revised Statutes requires the Auditor to analyze all legislative bills introduced each session that propose to establish new special or revolving funds

Report No. 26-07
March 2026



OFFICE OF THE AUDITOR
STATE OF HAWAI‘I

OFFICE OF THE AUDITOR
STATE OF HAWAIʻI

Constitutional Mandate

Pursuant to Article VII, Section 10 of the Hawaiʻi 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.

Hawaiʻi 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 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, annual reviews of tax incentives, 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: https://auditor.hawaii.gov

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Foreword

This report compiles our analyses of new special and revolving funds proposed by bills introduced during the 2026 legislative session. We assessed the proposed funds using criteria developed by the Legislature in Section 23-11, Hawaii Revised Statutes.

Our work was performed from January to February 2026.

Leslie H. Kondo
State Auditor

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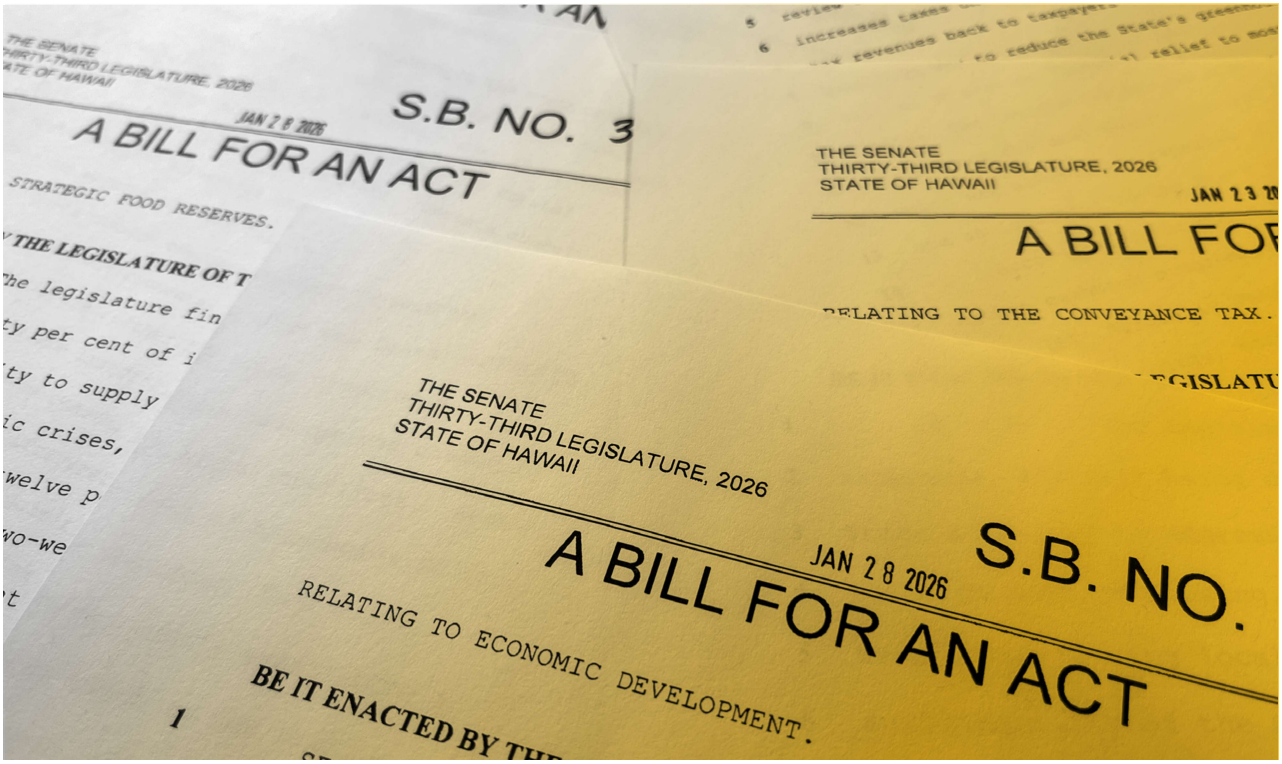


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Analyses of Proposed Special and Revolving Funds 2026

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 reviewed 76 Senate and House bills proposing 52 special and revolving funds during the 2026 legislative session.

We sent surveys to bill introducers requesting information about the proposed funds, 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 any survey responses received and statutory criteria.

For any new fund proposed, additional administrative costs associated with the fund may be incurred by central services agencies of state government. Undetermined amounts of revenue will be deposited into the fund and will not be subject to normal lapsing requirements. From a legislative perspective, special and revolving funds are less desirable because the funding stream is not fully controlled by the appropriation process. Legislative control is reduced because special and revolving funds divert moneys from the General Fund and distort the State's financial picture by making revenues and expenditures appear to be less than they are.

We reviewed 76 House and Senate bills introduced during the 2026 legislative session, proposing 52 special and revolving funds. None of the proposed funds satisfied the criteria set forth in Section 23-11, HRS, for special and revolving funds. See Report No. 25-05, Analysis of Proposed Special and Revolving Funds 2025, for our analyses of new special and revolving funds proposed by bills introduced during the 2025 legislative session.

Exhibit 1 summarizes the result of our analyses.

Exhibit 1
Analyses of Proposed Special and Revolving Funds 2026

Bill	Fund Name	Only Funding Source HRS § 23-11(b)(1)	Nexus HRS § 23-11(b)(2)	Meets Criteria
SB2344	Affordable Homeownership Assistance Revolving Fund	N	P	N
SB2344	Affordable Rental Supply Revolving Fund	N	P	N
SB2335	Agricultural Conservation Easement Management Special Fund	N	P	N
SB2332 and HB1617	Agricultural Development and Food Security Special Fund	N	P	N
SB3066 and HB2246	Agricultural Grant Revolving Fund	N	Y	N
SB2001 and HB1847	Banyan Drive Community Development District Special Fund	N	P	N
HB2616	Banyan Drive-Makaokū Community Development District Special Fund	N	P	N
SB2421 and HB1625	Cannabis Regulation and Enforcement Special Fund	N	P	N
SB2332, SB2719, and HB1617	Carbon Emissions Tax and Dividend Special Fund	N	Y	N
SB3274 and HB1854	Certified Community Behavioral Health Clinic Special Fund	N	P	N
SB2770 and HB1618	Cesspool Conversion Loan Special Fund	N	P	N
SB2691 and HB2030	Clean Vehicle Special Fund	N	Y	N

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

Bill	Fund Name	Only Funding Source HRS § 23-11(b)(1)	Nexus HRS § 23-11(b)(2)	Meets Criteria
SB2452	Climate-Friendly Insurers Special Fund	N	P	N
SB3034	Coastal Resilience Revolving Fund	N	P	N
HB2463	Consumer Privacy Special Fund	N	P	N
SB2698 and HB2195	Cruise Ship Special Fund	N	P	N
SB2857 and HB2161	Daniel K. Inouye College of Pharmacy Special Fund	N	P	N
SB2543 and HB2514	Design Review Special Fund	N	P	N
HB2567	Early Childhood Education Investment Special Fund	N	P	N
SB2904 and HB2451	Fare-Free Public Transportation Tax and Dividend Special Fund	N	P	N
SB2699 and HB1879	Fare-Free Youth Transit Program Special Fund	N	P	N
SB2578	Film Industry Development Special Fund	N	P	N
SB3137 and HB2317	Food Safety and Environmental Health Special Fund	N	Y	N
SB2599	Halawa Community Development District Special Fund	N	P	N
SB3256 and HB2496	Hawai‘i Agricultural Transportation Assistance Special Fund	N	P	N
SB3305 and HB2143	Hawai‘i Care Special Fund	N	P	N

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

Bill	Fund Name	Only Funding Source HRS § 23-11(b)(1)	Nexus HRS § 23-11(b)(2)	Meets Criteria
SB3170 and HB2411	Hawai‘i Employer-Led Sector Partnerships Special Fund	N	P	N
SB2712	Hawai‘i Hemp Fiber Special Fund	N	P	N
SB3165 and HB2583	Hawai‘i Micro-Lending Credit Enhancement Special Fund	N	P	N
SB3168 and HB1614	Hawai‘i Technology Development Corporation Revolving Fund	N	P	N
HB1906	Hawai‘i Water Carrier Rates Board Special Fund	N	U	N
SB2514 and HB2072	Homeless Services Special Fund	N	P	N
SB2476 and HB1924	Mattress Stewardship Special Fund	N	Y	N
SB2949 and HB2440	Ombudsman’s Office for Homeowners Insurance Special Fund	N	Y	N
SB2814	Preventive Maintenance Special Fund	N	N	N
SB2690 and HB1965	Primary Care Stabilization Special Fund	N	P	N
SB3303 and HB2570	Problem Gambling Prevention and Treatment Special Fund	N	P	N
SB2091 and HB1770	School Bus Driver Recruitment Special Fund	N	P	N
SB2157	Search and Rescue Special Fund	N	P	N

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

Bill	Fund Name	Only Funding Source HRS § 23-11(b)(1)	Nexus HRS § 23-11(b)(2)	Meets Criteria
SB2937	Search and Rescue Special Fund	N	Y	N
SB2938 and HB2439	Search and Rescue Special Fund	N	P	N
HB2196	Solar Panel and Electric Vehicle Battery Recycling Special Fund	N	N	N
HB1903	Space Exploration and Aeronautics Research Special Fund	N	P	N
HB1736	Spay and Neuter Special Fund	N	P	N
SB2227	State Rent Supplement Program Special Fund	N	P	N
HB1950	State-Led Marketing and Branding Special Fund	N	Y	N
SB3162	Strategic Food Reserves Program Special Fund	N	P	N
SB3311	Strengthen Hawai‘i Homes Revolving Fund	N	P	N
SB2394	Teacher Temporary Hazard Pay Special Fund	N	N	N
SB3232	Universal School Meals Special Fund	N	P	N
HB2625	Vacant and Blighted Property Redevelopment Revolving Fund	N	P	N
SB2158	Veterinary Workforce Development Special Fund	N	P	N

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

Affordable Homeownership Assistance Revolving Fund
S.B. No. 2344
Does Not Meet Criteria

Fund Analysis	
Department/agency	Hawai‘i Housing Finance and Development Corporation (HHFDC)
Fund Type	Revolving fund
Purpose of Proposed Fund	The bill establishes the Affordable Homeownership Program and the Affordable Homeownership Assistance Revolving Fund. The purpose of the program is to provide eligible homebuyers with an equity-participating second mortgage towards the down payment of a home in a development designated by HHFDC. The purpose of the fund is to administer and provide funding for the program. Moneys in the fund will be used to provide second mortgages for eligible homebuyers.
Revenue	Revenues for the fund are from legislative appropriations; private contributions; repayment of second mortgages and interest; and other sources. The bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2026-2027.
Analysis	**The bill does not satisfy criteria for establishing a revolving fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a revolving fund is needed to support the program. 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 program and private contributions; and repayment of second mortgages and interest; and other sources. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.4, HRS, revolving funds must demonstrate the capacity to be financially self-sustaining by annual projections that show that the revolving fund will be sustainable without appropriations of general funds into the revolving fund.
Additional Information	S.B. No. 2344 also establishes the Affordable Rental Supply Revolving Fund.

Affordable Rental Supply Revolving Fund
S.B. No. 2344
Does Not Meet Criteria

Fund Analysis	
Department/agency	Hawai‘i Housing Finance and Development Corporation
Fund Type	Revolving fund
Purpose of Proposed Fund	The bill establishes the Affordable Rental Supply Revolving Fund. The purpose of the fund is to provide interim financing for developers to build rental housing projects that would provide housing for residential use, prioritizing middle-income households. The bill also establishes eligibility requirements for qualifying projects. Moneys in the fund will be used for financing for five-year loans provided to eligible affordable rental housing projects for construction, acquisition, and development.
Revenue	Revenues for the fund are from legislative appropriations; private contributions; repayment of loans, interest, and other returns; and other sources. The bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2026-2027.
Analysis	**The bill does not satisfy criteria for establishing a revolving fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a revolving fund is needed to support the loans for rental projects. 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 loans for rental projects and private contributions; repayment of loans, interest, and returns to the fund; and other sources. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.4, HRS, revolving funds must demonstrate the capacity to be financially self-sustaining by annual projections that show that the revolving fund will be sustainable without appropriations of general funds into the revolving fund.
Additional Information	S.B. No. 2344 also establishes the Affordable Homeownership Assistance Revolving Fund.

Agricultural Conservation Easement Management Special Fund
S.B. No. 2335
Does Not Meet Criteria

Fund Analysis	
Department/agency	Agribusiness Development Corporation
Fund Type	Special fund
Purpose of Proposed Fund	The bill establishes the Agricultural Conservation Easement Program and the Agricultural Conservation Easement Management Special Fund. The purpose of the program is to purchase agricultural conservation easements from willing landowners to preserve and protect land for agricultural use in perpetuity. The purpose of the fund is to implement the program. Moneys in the fund will be used for the purchase of agricultural conservation easements, monitoring of land purchased through an agricultural conservation easement, and enforcement of penalties.
Revenue	Revenues for the fund are from revenue or fees collected from the program; legislative appropriations; grants, awards, donations, gifts, transfers, moneys from public or private sources; and any interest earned or accrued on moneys in the special fund. The bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2026-2027.
Analysis	**The bill does not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the program. 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 program activities and revenue or fees collected from the program; grants, awards, donations, gifts, transfers, moneys from public or private sources; and any interest earned or accrued on moneys in the special fund. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Agricultural Development and Food Security Special Fund S.B. No. 2332 and H.B. No. 1617 Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Agriculture and Biosecurity
Fund Type	Special fund
Purpose of Proposed Fund	The bills re-establish the Agricultural Development and Food Security Special Fund. The purpose of the fund is to increase agricultural production or processing that may lead to reduced importation of food, fodder, or feed from outside the State. Moneys in the fund will be used for awarding of grants to farmers for agricultural production or processing activity; the acquisition of real property for agricultural production or processing activity; improvement of real property, irrigation systems, and transportation networks necessary to promote agricultural production or processing activity; the purchase of equipment necessary for agricultural production and processing activity; conducting research on and testing agricultural products and markets; funding of agricultural inspector positions within the department; the promotion and marketing of agricultural products grown or raised in the State; and any other activity that is intended to increase agricultural production or processing.
Revenue	Revenues for the fund are from a portion of the environmental response, energy, carbon emissions, and food security tax established in Section 243-3.5, HRS; legislative appropriations; any grant or donation made to the fund; and any interest, dividend, or other income earned on the balance of the special fund.
Analysis	**The bills do not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the activities. An explanation of why the activities described in the bills cannot be successfully implemented through the general fund appropriation process was not provided.
Nexus or Linkage	Nexus or linkage exists between the activities and the environmental response, energy, carbon emissions, and food security tax; any grant or donation made to the fund; and any interest, dividend, or other income earned on the balance of the special fund. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.

Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.
Additional Information	S.B. No. 2332 and H.B. No. 1617 also establish the Carbon Emissions Tax and Dividend Special Fund.

Agricultural Grant Revolving Fund S.B. No. 3066 and H.B. No. 2246 Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Agriculture and Biosecurity
Fund Type	Revolving fund
Purpose of Proposed Fund	The bills establish the Agricultural Grant Program and the Agricultural Grant Revolving Fund. The purpose of the program is to search, apply, and administer federal agricultural grant opportunities that could benefit Hawai'i's agricultural industry. The purpose of the fund is to allow the department to retain and expend federal reimbursement money to seek grant opportunities. Moneys in the fund will be used to search for grants, develop program applications, monitor grant execution, ensure compliance with grant requirements, and audit grant expenditures. In addition, it may be used to pay for consultant services, and operational expenses, including hiring temporary staff.
Revenue	Revenues for the fund are from federal reimbursements for management of applicable federal grants.
Analysis	**The bills do not satisfy criteria for establishing a revolving fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a revolving fund is needed to support the program. An explanation of why the activities described in the bills cannot be successfully implemented through the general fund appropriation process was not provided.
Nexus or Linkage	Nexus or linkage exists between the program activities and federal reimbursements for management of applicable federal grants.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.4, HRS, revolving funds must demonstrate the capacity to be financially self-sustaining by annual projections that show that the revolving fund will be sustainable without appropriations of general funds into the revolving fund.

Banyan Drive Community Development District Special Fund S.B. No. 2001 and H.B. No. 1847 Does Not Meet Criteria

Fund Analysis	
Department/agency	Hawai‘i Community Development Authority
Fund Type	Special fund
Purpose of Proposed Fund	The bills establish the Banyan Drive Community Development District, the Banyan Drive Redevelopment Agency, and the Banyan Drive Community Development District Special Fund. The purpose of the district is to renew the Waiākea peninsula area in east Hawai‘i Island, which includes Banyan Drive, to foster cultural enrichment and develop cultural and public facilities to enhance the experience for residents and visitors. The purpose of the agency is to implement the initiative to revitalize and redevelop the district. The purpose of the fund is to assist in the administration and operation of the district. Moneys in the funds will be used for district and agency activities.
Revenue	Revenues for the fund are from gifts, donations, and grants from public agencies or private individuals; revenue, income, and receipts of the Hawai‘i Community Development Authority for the district; legislative appropriations; and investment earnings credited to the assets of the fund. The bills also propose that an unspecified amount of general funds be appropriated into the fund for fiscal year 2026-2027.
Analysis	**The bills do not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the agency. An explanation of why the activities described in the bills cannot be successfully implemented through the general fund appropriation process was not provided.
Nexus or Linkage	Nexus or linkage exists between the agency’s activities and revenue, income, and receipts of the Hawai‘i Community Development Authority for the district; gifts, donations, and grants from public agencies or private individuals; and investment earnings credited to the assets of the fund. However, nexus or linkage does not exist between the agency’s activities and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Banyan Drive-Makaokū Community Development District Special Fund
H.B. No. 2616
Does Not Meet Criteria

Fund Analysis	
Department/agency	Hawai‘i Community Development Authority
Fund Type	Special fund
Purpose of Proposed Fund	The bill establishes the Banyan Drive-Makaokū Community Development District, the Banyan Drive-Makaokū Redevelopment Agency, and the Banyan Drive-Makaokū Community Development District Special Fund. The purpose of the district is to renew the Waiākea peninsula area in east Hawai‘i Island, which includes Banyan Drive, to foster cultural enrichment and develop cultural and public facilities to enhance the experience for residents and visitors. The purpose of the agency is to provide oversight, regulation, and maintenance of the district. The purpose of the fund is to provide the agency and district with consistent resources to improve and safeguard the cultural, economic, and social value of this area. Moneys in the fund will be used to support the Banyan Drive-Makaokū Redevelopment Agency’s redevelopment activities.
Revenue	Revenues for the fund are from revenues, income, and receipts of the Hawaii Community Development Authority for the district; money directed, allocated, or disbursed to the district from government agencies or private individuals or organizations including grants, gifts, awards, and donations; moneys collected from the district improvement and maintenance program established by the agency; legislative appropriations; and investment earnings credited to the assets of the fund. The bill also proposes that $250,000 of general funds be appropriated into the fund for fiscal year 2026-2027.
Analysis	**The bill does not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the district and agency’s activities. The bill notes that the general fund appropriation process may not be sufficient to ensure long-term success as costs of providing services and maintaining the district’s infrastructure may vary from year to year.
Nexus or Linkage	Nexus or linkage exists between the district and agency’s activities and revenues, income, and receipts of the Hawaii Community Development Authority for the district; money directed, allocated, or disbursed to the district from government agencies or private individuals or organizations; money collected from the district improvement and maintenance program established by the agency; and investment earnings credited to the assets of the fund. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.

Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Cannabis Regulation and Enforcement Special Fund S.B. No. 2421 and H.B. No. 1625 Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Commerce and Consumer Affairs
Fund Type	Special fund
Purpose of Proposed Fund	The bills establish the Hawai‘i Cannabis and Hemp Office, Social Equity Grant Program, Public Health and Education Grant Program, Public Safety Grant Program, Hawai‘i Hemp Grant Program, and the Cannabis Regulation and Enforcement Special Fund. The purpose of the Hawai‘i Cannabis and Hemp Office is to protect public health and safety through exercising licensing, regulatory, and disciplinary functions for the regulated cannabis industry. The purpose of the Social Equity Grant program is to provide grants to applicants to allow them to gain entry to and successfully operate in the State's regulated cannabis industry. The purpose of the Public Health and Education Grant Program is to provide grants to programs dedicated to preventing and treating substance abuse and educating the public about cannabis use. The purpose of the Public Safety Grant program is to provide grants to state and county agencies and private entities to assist with public safety resources relating to cannabis, including law enforcement resources. The purpose of the Hawai‘i Hemp Grant Program is to provide grants to local hemp farmers and hemp projects. The purpose of the fund is to support the office and grant activities. Moneys in the fund will be used for Hawai‘i Cannabis and Hemp Office operations; implementation, administration, and enforcement; and support for the grant programs as well as funding the grants awarded by the programs.
Revenue	Revenues for the fund are from fees, fines, and civil penalties; taxes collected equal to 14 percent of gross proceeds of retail sales from cannabis and four percent of gross proceeds of sales of medical cannabis; legislative appropriations; interest earned or accrued moneys; and contributions, grants, endowments, or gifts.
Analysis	**The bills do not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the office and its programs. An explanation of why the activities described in the bills cannot be successfully implemented through the general fund appropriation process was not provided.

Nexus or Linkage	Nexus or linkage exists between the programs and fines and civil penalties; taxes collected equal to 14 percent of gross proceeds of retail sales from cannabis and four percent of gross proceeds of sales of medical cannabis; interest earned or accrued moneys; and contributions, grants, endowments, or gifts from any other source. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund and the Medical Cannabis Registry and Regulation Special Fund and Hawai‘i Hemp Processing Special Fund, attached to the Department of Health.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Carbon Emissions Tax and Dividend Special Fund S.B. No. 2332, S.B. No. 2719, and H.B. No. 1617 Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Taxation
Fund Type	Special fund
Purpose of Proposed Fund	The bills establish a Carbon Cashback Program and the Carbon Emissions Tax and Dividend Special Fund. The purpose of the program is to offer a cost-effective and equitable way to reduce the State's greenhouse gas emissions by increasing taxes on fossil fuels and distribute new tax revenues back to taxpayers. The purpose of the fund is to support the department's efforts to administer the environmental response, energy, carbon emissions, and food security tax; administer the carbon cashback tax credit; and increase public awareness of the tax credit. Moneys in the fund will be used for salaries, contracted services, supplies, and administrative expenses.
Revenue	Revenues for the fund are from the environmental response, energy, carbon emissions, and food security tax established in Section 243-3.5, HRS, and revised by the bills. The bills propose $1,000,000 of the tax revenues shall be deposited annually into the fund.
Analysis	**The bills do not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the activities. An explanation of why the activities described in the bills cannot be successfully implemented through the general fund appropriation process was not provided.
Nexus or Linkage	Nexus or linkage exists between the program and the environmental response, energy, and carbon emissions and food security tax.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.
Additional Information	S.B. No. 2332 and H.B. No. 1617 also establish the Agricultural Development and Food Security Special Fund.

Certified Community Behavioral Health Clinic Special Fund S.B. No. 3274 and H.B. No. 1854 Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Health
Fund Type	Special fund
Purpose of Proposed Fund	The bills establish the Community Behavioral Health Clinic Certifying Office and the Certified Community Behavioral Health Clinic Special Fund. The purpose of the office is to certify community behavioral health clinics and provide technical assistance for clinics seeking certification under federal guidelines to promote consistency and accessibility to mental health and substance use services. The purpose of the fund is to collect certification application fees. Moneys in the fund will be used to offset the office's program expenses.
Revenue	Revenues for the fund are from community behavioral health clinic certification application fees and legislative appropriations.
Analysis	**The bills do not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the program. An explanation of why the activities described in the bills cannot be successfully implemented through the general fund appropriation process was not provided.
Nexus or Linkage	Nexus or linkage exists between the office and the community behavioral health clinic certification application fee. However, nexus or linkage does not exist between the office and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Cesspool Conversion Loan Special Fund S.B. No. 2770 and H.B. No. 1618 Does Not Meet Criteria

Fund Analysis	
Department/agency	Hawai‘i Green Infrastructure Authority
Fund Type	Special fund
Purpose of Proposed Fund	The bills establish the Cesspool Conversion Loan Special Fund. The purpose of the fund is to administer the cesspool conversion financing program. Moneys in the fund will be used to provide eligible low-income and moderate-income homeowners with low-interest loans or other authorized financial assistance to upgrade or convert existing cesspools and cover administrative and legal costs of fund management and loan management.
Revenue	Revenues for the fund are from legislative appropriations; funds from federal, state, county, private, or other funding sources, including funds from the Department of Health; loan repayment of principal and interest; and fees collected by the authority. The bills also propose that an unspecified amount of general funds be appropriated into the fund for fiscal year 2026-2027.
Analysis	**The bills do not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the activities. An explanation of why the activities described in the bills cannot be successfully implemented through 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, including funds from the Department of Health; loan repayment of principal and interest; and fees collected by the authority for fund management and technical site assistance. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Clean Vehicle Special Fund
S.B. No. 2691 and H.B. No. 2030
Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Transportation
Fund Type	Special fund
Purpose of Proposed Fund	The bills establish the Clean Vehicle Rebate Program and the Clean Vehicle Special Fund. The purpose of the program is to incentivize the purchase or lease of new and used plug-in hybrid or electric vehicles. The purpose of the fund is to support the purchase or lease of vehicles through rebates. Moneys in the fund will be used to implement the Clean Vehicle Rebate Program.
Revenue	Revenues for the fund are from the transportation affordability and energy security tax on the sale of light-duty motor vehicles solely powered by gasoline, diesel, or gasoline or diesel blends; all other funds received by the department and available for the purposes of the fund; and investment earnings.
Analysis	**The bills do not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the program. 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 program and the transportation affordability and energy security tax; all other funds received by the department and available for the purposes of the fund; and investment earnings.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Climate-Friendly Insurers Special Fund
S.B. No. 2452
Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Commerce and Consumer Affairs
Fund Type	Special fund
Purpose of Proposed Fund	The bill establishes the Climate-Friendly Insurers Special Fund. The purpose of the fund is to collect funds from penalties from certain insurers who fail to comply with new reporting requirements, divestment obligations, or underwriting prohibitions. Moneys in the fund, which may be transferred to other departments, will be used to finance projects and initiatives designed to avoid, limit, or adapt to negative impacts caused by climate change, including for the benefit of households residing in and businesses located in low-income and moderate-income communities or disadvantaged communities.
Revenue	Revenues for the fund are from legislative appropriations; fees and penalties collected from insurers who fail to comply with new requirements; and any interest earned on the balance of the special fund. The bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2026-2027.
Analysis	**The bill does not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed. 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 and penalties collected from insurers who fail to comply with new requirements and any interest earned on the balance of the special fund. However, nexus or linkage does not exist between the activities and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Coastal Resilience Revolving Fund
S.B. No. 3034
Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Land and Natural Resources
Fund Type	Revolving fund
Purpose of Proposed Fund	The bill establishes the Hawai‘i Coastal Resilience Acquisition and Leaseback Program and Coastal Resilience Revolving Fund. The purpose of the program is to voluntarily acquire vulnerable coastal property and authorize leaseback occupancy under short-term renewable leases subject to safety-based conditions and to remove and demolish structures on these properties. The purpose of the fund is to administer the program. Moneys in the fund will be used for property acquisition and closing costs; relocation assistance for income-qualified households; inspections, monitoring, and program administration; interim property management, including hazard monitoring and safety inspections; demolition, removal, hazard reduction activities, and site restoration; and legal costs associated with deed restrictions, conservation easements, and enforcement.
Revenue	Revenues for the fund are from legislative appropriations; bond proceeds; settlement or penalty revenues; state, federal, or private grants; county contributions; and lease or rental payments received during interim occupancy.
Analysis	**The bill does not satisfy criteria for establishing a revolving fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a revolving fund is needed to support the program. 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 program and bond proceeds; settlement or penalty revenues; state, federal, or private grants; county contributions; and lease or rental payments received during interim occupancy. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.4, HRS, revolving funds must demonstrate the capacity to be financially self-sustaining by annual projections that show that the revolving fund will be sustainable without appropriations of general funds into the revolving fund.

Consumer Privacy Special Fund
H.B. No. 2463
Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Commerce and Consumer Affairs
Fund Type	Special fund
Purpose of Proposed Fund	The bill establishes the Hawai‘i Drop and Delete Act and the Consumer Privacy Special Fund. The purpose of the Act is to limit the information data brokers collect and sell regarding consumer information and establish a deletion mechanism allowing consumers to request data brokers to drop their personal information. The purpose of the fund is to cover costs associated with the activities established in the Act. Moneys in the fund will be used for the costs of establishing and maintaining an informational website; costs incurred by the state courts and the Office of Consumer Protection in connection with enforcing this chapter; and the costs of establishing, maintaining, and providing access to the accessible deletion mechanism.
Revenue	Revenues for the fund are from registration fees; penalties, fines, and expenses for failure to comply with requirements or register with the office; legislative appropriations; donations and grants; and any interest earned on the balance of the special fund.
Analysis	**The bill does not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the Act. 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 of the Act and registration fees; penalties, fines, fees, and expenses for failure to comply with requirements or register with the office; donations and grants; and any interest earned on the balance of the special fund. However, nexus or linkage does not exist between the activities and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Cruise Ship Special Fund
S.B. No. 2698 and H.B. No. 2195
Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Transportation
Fund Type	Special fund
Purpose of Proposed Fund	The bills establish the Cruise Ship Special Fund. The purpose of the fund is to collect revenues from a new cruise ship passenger fee which would replace the existing transient accommodation tax on cruise ship operators. Moneys in the fund will be used for port facility and harbor capital improvement projects, including shore power connectivity to support the cruise ship industry.
Revenue	Revenues for the fund are from a $6.50 fee per passenger on any cruise ship that docks in any commercial harbor in the State, legislative appropriations, contributions from public or private partners, and all interest earned on or accrued to moneys deposited in the fund.
Analysis	**The bills do not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the facilities and harbor capital improvement projects. An explanation of why the activities described in the bills cannot be successfully implemented through the general fund appropriation process was not provided.
Nexus or Linkage	Nexus or linkage exists between port facility and harbor capital improvement projects and a cruise ship passenger fee on any cruise ship that docks in any commercial harbor in the State, contributions from public or private partners, and all interest earned on or accrued to moneys deposited in the fund. However, nexus or linkage does not exist between the activities and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Daniel K. Inouye College of Pharmacy Special Fund S.B. No. 2857 and H.B. No. 2161 Does Not Meet Criteria

Fund Analysis	
Department/agency	University of Hawai‘i
Fund Type	Special fund
Purpose of Proposed Fund	The bills establish the Daniel K. Inouye College of Pharmacy Special Fund. The purpose of the fund is to collect money from a new pharmacist workforce assessment fee and support the Daniel K. Inouye College of Pharmacy's activities related to pharmacist workforce assessment and planning within the State, especially in rural and medically underserved areas. Moneys in the fund will be used to support pharmacist workforce assessment and planning efforts, including the recruitment and retention of pharmacists; maintaining workforce assessment data; providing loan repayment to pharmacists working in medically underserved areas; and providing scholarships to qualifying pharmacy students.
Revenue	Revenues for the fund are from pharmacist workforce assessment fees; legislative appropriations; gifts, donations, and grants from public agencies or private individuals; and interest earned or accrued on moneys in the fund. The bills also propose that an unspecified amount be appropriated out of the Compliance Resolution Fund into the fund for fiscal year 2026-2027.
Analysis	**The bills do not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the activities. An explanation of why the activities described in the bills cannot be successfully implemented through the general fund appropriation process was not provided.
Nexus or Linkage	Nexus or linkage exists between the activities and pharmacist workforce assessment fees; gifts, donations, and grants from public agencies or private individuals; and interest earned or accrued on moneys in the fund. However, nexus or linkage does not exist between the activities and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Design Review Special Fund
S.B. No. 2543 and H.B. No. 2514
Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Accounting and General Services
Fund Type	Special fund
Purpose of Proposed Fund	The bills establish a State Construction Manager position and the Design Review Special Fund. The purpose of the State Construction Manager is to organize, manage, and oversee the design review of all state construction projects and issue design approvals before any state construction project commences. The purpose of the fund is to support the State Construction Manager and their duties. Moneys in the fund will be used to pay the State Construction Manager and an unspecified number of positions within the Office of the State Construction Manager.
Revenue	Revenues for the fund are from fees collected for services provided to state agencies for services performed by the Office of the State Construction Manager, legislative appropriations, and interest earned or accrued on moneys in the fund. The bills also propose that an unspecified amount of general funds be appropriated into the fund for fiscal year 2026-2027.
Analysis	**The bills do not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the activities of the Office of the State Construction Manager. An explanation of why the activities described in the bills cannot be successfully implemented through the general fund appropriation process was not provided.
Nexus or Linkage	Nexus or linkage exists between activities of the Office of the State Construction Manager and fees collected for services provided to state agencies for services performed by the Office of the State Construction Manager and interest earned or accrued on moneys in the fund. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Early Childhood Education Investment Special Fund
H.B. No. 2567
Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Budget and Finance
Fund Type	Special fund
Purpose of Proposed Fund	The bill establishes the Early Childhood Education Investment Special Fund. The purpose of the fund is to generate investment income to support early childhood education programs. Moneys in the fund will be used for early childhood education programs.
Revenue	Revenues for the fund are from legislative appropriations; gifts, donations, and grants from public or private sources; investment earnings on the fund; and other moneys received. The bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2026-2027.
Analysis	**The bill does not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the early childhood education programs. 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 early childhood education programs and gifts, donations, grants from public or private sources; investment earnings on the fund; and other moneys received. However, nexus or linkage does not exist between the programs and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Fare-Free Public Transportation Tax and Dividend Special Fund
S.B. No. 2904 and H.B. No. 2451
Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Taxation
Fund Type	Special fund
Purpose of Proposed Fund	The bills establish the Fare-Free Public Transportation Tax and Dividend Special Fund. The purpose of the fund is to reimburse the counties for providing free public transportation, which would increase ridership and access while reducing traffic congestion and greenhouse gas emissions. Moneys in the fund will be used to reimburse counties providing the public with fare-free access to public transportation systems.
Revenue	Revenues for the fund are from $2.30 of the tax on each barrel of petroleum sold by a distributor to any retail dealer, legislative appropriations, and any interest earned or accrued on moneys in the fund.
Analysis	**The bills do not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support fare-free access to public transportation systems. An explanation of why the activities described in the bills cannot be successfully implemented through the general fund appropriation process was not provided.
Nexus or Linkage	Nexus or linkage exists between the activities and from a portion of the tax on each barrel of petroleum sold by a distributor to any retail dealer and any interest earned or accrued on moneys in the fund. However, nexus or linkage does not exist between the activities and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Fare-Free Youth Transit Program Special Fund
S.B. No. 2699 and H.B. No. 1879
Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Transportation
Fund Type	Special fund
Purpose of Proposed Fund	The bills establish the Fare-Free Youth Transit Program and the Fare-Free Youth Transit Program Special Fund. The purpose of the program is to provide fare-free county transit services to all children through age seventeen, youths who are high school students, and guardians accompanying elementary-age or younger children. The purpose of the fund is to support the program. Moneys in the fund will be used to award moneys to county transit agencies to provide fare-free services to eligible riders and cover administrative and program evaluation costs associated with the implementation and operation of the program.
Revenue	Revenues for the fund are from a portion of the environmental response, energy, and food security tax; legislative appropriations; and investment earnings, gifts, donations, or other income. The bills also propose that an unspecified amount of general funds be appropriated into the fund for fiscal year 2026-2027.
Analysis	**The bills do not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the program. An explanation of why the activities described in the bills cannot be successfully implemented through the general fund appropriation process was not provided.
Nexus or Linkage	Nexus or linkage exists between the program and the environmental response, energy, and food security tax; investment earnings; and gifts and donations. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Film Industry Development Special Fund
S.B. No. 2578
Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Business, Economic Development, and Tourism
Fund Type	Special fund
Purpose of Proposed Fund	The bill establishes the Hawai‘i Film Commission and the Film Industry Development Special Fund. The purpose of the commission is to have exclusive responsibility for film and television production activities in the State, including the administration of incentives, studio facilities, and film-specific workforce initiatives. The purpose of the fund is to support activities and grants administered by the commission. Moneys in the fund will be used for film production incentives, development, workforce development, industry promotion, marketing, infrastructure, and facility support. In addition, the funds will support the commission's grant programs including development, workforce, training, innovation, post-production, and creative technology grants.
Revenue	Revenues for the fund are from legislative appropriations; donations and grants from private individuals or organizations; grants provided by governmental agencies or any other source; all revenues, fees, and charges from processing of the motion picture, digital media, and film production income tax credit; all revenues, fees, and income received by the department from its management of public facilities that support film production and workforce and business development in the film industry; all interests earned or accrued on moneys in the fund; and any other source.
Analysis	**The bill does not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the commission's activities. 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 of the commission and donations and grants from private individuals or organizations; grants provided by governmental agencies or any other source; all revenues, fees, and charges from processing of the motion picture, digital media, and film production income tax credit; all revenue, fees, and income received by the department from its management of public facilities that support film production and workforce and business development in the film industry; and all interest earned or accrued on moneys in the fund. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.

Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Food Safety and Environmental Health Special Fund S.B. No. 3137 and H.B. No. 2317 Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Health
Fund Type	Special fund
Purpose of Proposed Fund	The bills establish the Food Safety Consultative and Education Program and the Food Safety and Environmental Health Special Fund. The purpose of the program is to oversee local retail food establishments and local food distribution facilities to ensure the food consumed by the public is safe, not adulterated, and properly labeled. The purpose of the fund is to support the program. Moneys in the fund will be used to improve public outreach efforts and consultations to regulated businesses and industries; educate the public, staff, and regulated businesses and industries; plan for future growth and expansion to meet emerging needs; provide training opportunities to ensure the maintenance of professional competence among food safety and environmental health staff and administrators; and conduct program activities and functions of the food safety, food and drug, and environmental health programs.
Revenue	Revenues for the fund are from fees for permits or variances, licenses, inspections, various certificates, investigations, and reviews.
Analysis	**The bills do not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the program. An explanation of why the activities described in the bills cannot be successfully implemented through the general fund appropriation process was not provided.
Nexus or Linkage	Nexus or linkage exists between the program and fees for permits, licenses, inspections, various certificates, variances, investigations, and reviews.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Halawa Community Development District Special Fund
S.B. No. 2599
Does Not Meet Criteria

Fund Analysis	
Department/agency	Hawai‘i Community Development Authority
Fund Type	Special fund
Purpose of Proposed Fund	The bill redesignates the Stadium Development District as the Halawa Community Development District and establishes the Halawa Community Development District Special Fund. The purpose of the fund is to support the economic, residential, educational, and social benefit activities of the district. Moneys in the fund will be used to administer and operate the district.
Revenue	Revenues for the fund are from revenues, income, and receipts of the authority derived from activities within and outside the district; moneys directed, allocated, or disbursed to the district from government agencies or private individuals or organizations including gifts, donations, and grants; legislative appropriations; and investment earnings credited to the assets of the fund.
Analysis	**The bill does not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the activities. The bill notes the fund is needed to support the activities, as the general fund appropriation process may not be sufficient to successfully implement the goals of the district because obligations for the district would be ongoing and costs to maintain, regulate, and provide services may vary year to year. However, 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 district's activities and the revenues, income, and receipts of the authority derived from activities within and outside the district; moneys directed, allocated, or disbursed to the district from government agencies or private individuals or organizations including gifts, donations, and grants; and investment earnings credited to the assets of the fund. However, nexus or linkage does not exist between the activities and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Hawai‘i Agricultural Transportation Assistance Special Fund S.B. No. 3256 and H.B. No. 2496 Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Agriculture and Biosecurity
Fund Type	Special fund
Purpose of Proposed Fund	The bills establish the Hawai‘i Agricultural Transportation Assistance Program, consisting of the Agricultural Transportation Reimbursement Program and the Agricultural Transportation Grant Program, and the Hawai‘i Agricultural Transportation Assistance Special Fund. The purpose of the Agricultural Transportation Reimbursement Program is to provide reimbursements for eligible transportation costs of geographically disadvantaged farmers or livestock producers. The purpose of the Agricultural Transportation Grant Program is to provide grants to assist small-scale farmers, ranchers, food hubs, and agricultural producers in rural or underserved areas with transportation costs directly related to the production and distribution of agricultural commodities. The purpose of the fund is to support the programs within the Hawai‘i Agricultural Transportation Assistance Program. Moneys in the fund will be used for the programs’ reimbursements and grants.
Revenue	Revenues for the fund are from legislative appropriations; federal funds; private contributions, grants, and donations; and any other revenues. The bills also propose that an unspecified amount of general funds be appropriated into the fund for fiscal year 2026-2027.
Analysis	**The bills do not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the programs. An explanation of why the activities described in the bills cannot be successfully implemented through the general fund appropriation process was not provided.
Nexus or Linkage	Nexus or linkage exists between the programs and federal funds; private contributions, grants, and donations; and other revenues. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Hawai‘i Care Special Fund
S.B. No. 3305 and H.B. No. 2143
Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Budget and Finance
Fund Type	Special fund
Purpose of Proposed Fund	The bills establish Hawai‘i Care and the Hawai‘i Care Special Fund. The bill proposes to create Hawai‘i Care, a public financed health care program and replace all existing health care plans in the State. The purpose of the fund is to support the operations of the Hawai‘i Care program. Moneys in the fund will be used for salaries and overhead; payments to third party contractors administering portions of Hawai‘i Care; reimbursements to health care providers, health care facilities, and hospitals for health care services rendered to residents of the State; and capital improvement projects. In addition, the bills create a subaccount within the fund to be used for community-based specialized services for patients with complex or highly specialized care needs.
Revenue	Revenues for the fund are from legislative appropriations; gifts, donations, and grants from private individual or organizations; and federal funds.
Analysis	**The bills do not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the Hawai‘i Care program. An explanation of why the activities described in the bills cannot be successfully implemented through the general fund appropriation process was not provided.
Nexus or Linkage	Nexus or linkage exists between the Hawai‘i Care program and gifts, donations, and grants from private individual or organizations and federal funds. However, nexus or linkage does not exist between the Hawai‘i Care program and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Hawai‘i Employer-Led Sector Partnerships Special Fund S.B. No. 3170 and H.B. No. 2411 Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Business, Economic Development, and Tourism
Fund Type	Special fund
Purpose of Proposed Fund	The bills establish the Hawai‘i Employer-Led Sector Partnerships Special Fund. The purpose of the fund is to provide stable and diversified funding for employer-led, demand-driven sector partnerships aligned with the State's economic priorities. Moneys in the fund will be used for funding employer-led sector partnership activities and workforce pipeline development; supporting curriculum development, credentialing, internships, apprenticeships, and other work-based learning aligned with industry demand; providing technical assistance, convening support, and capacity building to industry-driven partnerships and intermediaries; data collection, labor-market analysis, performance measurement, and evaluation; leveraging federal or private matching funds; supporting industry and employer partners that assist in convening sector partnerships.
Revenue	Revenues for the fund are from legislative appropriations; federal reimbursements; grants, gifts, donations, and private contributions; and other moneys received. The bills also propose that an unspecified amount of general funds be appropriated into the fund for fiscal year 2026-2027.
Analysis	**The bills do not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the activities. An explanation of why the activities described in the bills cannot be successfully implemented through the general fund appropriation process was not conclusive.
Nexus or Linkage	Nexus or linkage exists between the activities and federal reimbursements, grants, gifts, donations, private contributions, and other moneys received. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Hawai‘i Hemp Fiber Special Fund
S.B. No. 2712
Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Agriculture and Biosecurity
Fund Type	Special fund
Purpose of Proposed Fund	The bill establishes the Hemp Paper Packaging Pilot Program and the Hawai‘i Hemp Fiber Special Fund. The purpose of the program is to evaluate locally manufactured or converted hemp paper packaging for state and county uses, including retail bags, food-service items, protective wraps, hang tags, and shipping inserts. The purpose of the fund is to provide grants, per-ton incentives, and pilot projects that expand fiber-only hemp production, processing, and in-state manufacturing. Moneys in the fund will be used to provide producer grants; processor grants; converter and manufacturer grants; grants to non-profit organizations and public institutions of higher education for training; per-ton incentives of $300 per delivered dry ton of industrial hemp biomass to an approved processor; and administrative costs of the program.
Revenue	Revenues for the fund are from legislative appropriations; moneys received from the federal government or from private contributions; moneys from the industrial hemp license surcharge; and interest or return on investments earned from moneys in the fund. The bill also proposes that $25,000,000 of general funds be appropriated into the fund for fiscal year 2026-2027.
Analysis	**The bill does not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the program and grants. 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 program and grants and moneys received from the federal government or from private contributions; moneys from the industrial hemp license surcharge; and interest or return on investments earned from moneys in the fund. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Hawai‘i Micro-Lending Credit Enhancement Special Fund S.B. No. 3165 and H.B. No. 2583 Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Business, Economic Development, and Tourism
Fund Type	Special fund
Purpose of Proposed Fund	The bills establish the Hawai‘i Micro-Lending Credit Enhancement Program and the Hawai‘i Micro-Lending Credit Enhancement Special Fund. The purpose of the program is to encourage eligible lenders to increase the availability of micro-loans to qualified borrowers through state-supported credit enhancement. The purpose of the fund is to support the activities of the program. Moneys in the fund will be used for credit enhancement, program administration, and reporting.
Revenue	Revenues for the fund are from legislative appropriations; moneys received from the federal government; grants, awards, donations, gifts, transfers, or moneys derived from private sources; and interest earned or accrued on moneys in the fund. The bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2026-2027.
Analysis	**The bills do not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the program. An explanation of why the activities described in the bills cannot be successfully implemented through the general fund appropriation process was not provided.
Nexus or Linkage	Nexus or linkage exists between the program and moneys received from the federal government; grants, awards, donations, gifts, transfers, or moneys derived from private sources; and interest earned or accrued on moneys in the fund. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Hawai‘i Technology Development Corporation Revolving Fund
S.B. No. 3168 and H.B. No. 1614
Does Not Meet Criteria

Fund Analysis	
Department/agency	Hawai‘i Technology Development Corporation
Fund Type	Revolving fund
Purpose of Proposed Fund	The bills establish the Hawai‘i Technology Development Corporation Revolving Fund. The purpose of the fund is to finance the State's matching contributions required by federal grants supporting innovation, technology, research, and manufacturing initiatives. Moneys in the fund will be used to provide state matching funds for federal grants awarded to the corporation that require a state contribution as a condition of the award; to cover administrative costs directly associated with the management of the grants or the revolving fund; and to support related activities approved by the board that are necessary to fulfill federal grant obligations.
Revenue	Revenues for the fund are legislative appropriations; transfers from other funds as authorized by law; federal funds received by the corporation as part of grant awards; repayments or reimbursements associated with prior grant activities; and any interest earned on the fund balance. The bills also propose that $10,000,000 of general funds be appropriated into the fund for fiscal year 2026-2027.
Analysis	**The bills do not satisfy criteria for establishing a revolving fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a revolving fund is needed to finance the State's matching contributions required by federal grants. An explanation of why the activities described in the bills cannot be successfully implemented through the general fund appropriation process was not conclusive.
Nexus or Linkage	Nexus or linkage exists between the activities of the corporation and transfers from other funds as authorized by law; federal funds received by the corporation as part of grant awards; repayments or reimbursements associated with prior grant activities; and any interest earned on the fund balance. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	The probable effects are that the corporation will have timely access to matching state funds for federal grant awards that require it.
Alternative Forms of Funding	The General Fund.

Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.4, HRS, revolving funds must demonstrate the capacity to be financially self-sustaining by annual projections that show that the revolving fund will be sustainable without appropriations of general funds into the revolving fund.

Hawai‘i Water Carrier Rates Board Special Fund
H.B. No. 1906
Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Commerce and Consumer Affairs
Fund Type	Special fund
Purpose of Proposed Fund	The bill establishes the Hawai‘i Water Carrier Rates Board and the Hawai‘i Water Carrier Rates Board Special Fund. The purpose of the board is to improve transparency, fairness, and efficiency in rate-setting for these services. The purpose of the fund is to support the administration of the board. Moneys in the fund will be used for board activities such as reviewing, evaluating, and setting rates, fees, and charges for water carriers; conducting public hearings and receiving evidence on rate proposals; establishing criteria for rate approval, including cost-of-service analyses, economic impact studies, and public interest considerations; and issuing orders, rules, and policies.
Revenue	Revenues for the fund are from moneys received and collected by the board that are not otherwise pledged, obligated, or required by law to be placed in any other special fund or expended for any other purpose. It is unclear what the revenue that will support this special fund is.
Analysis	**The bill does not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the activities of the board. 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 of the board and money collected by the board. The bill does not provide enough information to determine what the funds will be used for.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Homeless Services Special Fund
S.B. No. 2514 and H.B. No. 2072
Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Human Services
Fund Type	Special fund
Purpose of Proposed Fund	The bills establish the Homeless Services Special Fund. The purpose of the fund is to allow counties to apply for matching funds for housing projects that are subject to a perpetual affordability requirement. Moneys in the fund will be used for homeless services and supportive housing, including homeless facilities and programs for the homeless authorized by the department.
Revenue	Revenues for the fund are from ten percent of conveyance tax revenues, legislative appropriations, interest earned on moneys in the fund, and money from any other private or public source.
Analysis	**The bills do not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the housing projects. An explanation of why the activities described in the bills cannot be successfully implemented through the general fund appropriation process was not provided.
Nexus or Linkage	Nexus or linkage exists between the housing projects and ten percent of conveyance tax revenues, and interest earned upon moneys in the fund, and any other private or public source. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Mattress Stewardship Special Fund S.B. No. 2476 and H.B. No. 1924 Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Health
Fund Type	Special fund
Purpose of Proposed Fund	The bills establish the Mattress Stewardship Program and the Mattress Stewardship Special Fund. The purpose of the program is to designate stewardship organizations to develop and implement plans to ensure collection, reuse, donation, and recycling opportunities for mattresses, box springs, and mattress foundations. The purpose of the fund is to support program activities. Moneys in the fund will be used to implement mattress stewardship plans developed by producers and approved by the department, which will include processes to ensure statewide, convenient collection opportunities for covered products, and to reimburse retailers for collecting a consumer's discarded mattress or box springs at no additional cost.
Revenue	Revenues for the fund are from revenue generated from the mattress stewardship fee, which will be collected at the time of sale of any brand or sized mattress, box spring, or mattress foundation by the retailer, and all accrued interest from the fund.
Analysis	**The bills do not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the program. An explanation of why the activities described in the bills cannot be successfully implemented through the general fund appropriation process was not provided.
Nexus or Linkage	Nexus or linkage exists between the program and revenue generated from the mattress stewardship fee and all accrued interest from the fund.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Ombudsman's Office for Homeowners Insurance Special Fund
S.B. No. 2949 and H.B. No. 2440
Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Commerce and Consumer Affairs
Fund Type	Special fund
Purpose of Proposed Fund	The bills establish the Ombudsman's Office for Homeowners Insurance and the Ombudsman's Office for Homeowners Insurance Special Fund. The purpose of the office is to receive and process complaints and requests for dispute intervention; conduct investigations; enforce fines and penalties; act as a neutral resource, liaison, and mediator for various parties involved in homeowners' insurance disputes; and educate and inform leadership in the State and the public regarding insurance. The purpose of the fund is to support the office. Moneys in the fund will be used to cover the expenses of the office.
Revenue	Revenues for the fund are from administrative penalties, fines, other charges and fees, and all interest earned or accrued on moneys deposited into the fund. The bills also propose that an unspecified amount of general funds be appropriated into the fund for fiscal year 2026-2027.
Analysis	**The bills do not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the office. An explanation of why the activities described in the bills cannot be successfully implemented through the general fund appropriation process was not provided.
Nexus or Linkage	Nexus or linkage exists between the office and administrative penalties, fines, other charges, and all interest earned or accrued on moneys deposited into the fund.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Preventive Maintenance Special Fund
S.B. No. 2814
Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Education
Fund Type	Special fund
Purpose of Proposed Fund	The bill establishes the Preventive Maintenance Special Fund. The purpose of the fund is to provide a source of funding for preventive maintenance of public school facilities. Moneys in the fund will be used for scheduled inspections, servicing, and repairs of building systems; maintenance activities to comply with health, safety, and environmental standards; and other preventive measures that extend the useful life of school facilities and reduce emergency repair costs.
Revenue	The bill proposes that $75,000,000 of general funds be appropriated into the fund for fiscal year 2026-2027.
Analysis	**The bill does not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the department's maintenance activities. 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 department's maintenance activities and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	No. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining without continued financial support from the General Fund.

Primary Care Stabilization Special Fund
S.B. No. 2690 and H.B. No. 1965
Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Commerce and Consumer Affairs
Fund Type	Special fund
Purpose of Proposed Fund	The bills establish the Primary Care Stabilization Special Fund. The purpose of the fund is to support primary care providers and community access to primary care sites. Moneys in the fund will be used for stabilizing and expanding access to primary care services in rural areas; expanding community access to primary care sites; supporting workforce development initiatives and workforce retention efforts for primary care providers, including Medicaid workforce development; and updating and expanding the State's telehealth infrastructure.
Revenue	Revenues for the fund are from fines collected by the insurance commissioner from health carriers, legislative appropriations, donations, federal grants, and all interest accrued by the revenues of the fund.
Analysis	**The bills do not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support primary care providers and community access to primary care sites. An explanation of why the activities described in the bills cannot be successfully implemented through the general fund appropriation process was not provided.
Nexus or Linkage	Nexus or linkage exists between activities to support primary care providers and community access primary care sites and fines collected by the insurance commissioner from health carriers found in noncompliance, donations, federal grants, and all interest accrued by the revenues of the fund. However, nexus or linkage does not exist between the activities and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Problem Gambling Prevention and Treatment Special Fund S.B. No. 3303 and H.B. No. 2570 Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Health
Fund Type	Special fund
Purpose of Proposed Fund	The bills establish a new chapter named "Regulation of Sports Wagering" and the Problem Gambling Prevention and Treatment Special Fund. The new chapter will allow sports wagering and ancillary activities, under certain circumstances, to be lawful. The purpose of the fund is not specified in the language of the bill. Moneys in the fund will be used for counseling and other support services for disordered and problem gamers; developing and implementing problem gaming treatment and prevention programs; and creating and disseminating responsible gaming education and messages.
Revenue	Revenues for the fund are legislative appropriations, a portion of taxes imposed on the operation of sports wagering or on the proceeds from the operation of sports wagering in the State, and any interest and moneys earned on the investments.
Analysis	**The bills do not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to provide counseling and support services, gaming treatment and prevention programs, and responsible gaming education and messages. 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 counseling and support services for gaming treatment and prevention programs, and responsible gaming education and messages and a portion of taxes imposed on the operation of sports wagering in the State, and any interest and moneys earned on the investments. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

School Bus Driver Recruitment Special Fund
S.B. No. 2091 and H.B. No. 1770
Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Education
Fund Type	Special fund
Purpose of Proposed Fund	The bills establish the School Bus Driver Recruitment Grant Program and the School Bus Driver Recruitment Special Fund. The purpose of the program is to help increase the State's recruitment and retention of bus drivers by issuing grants that cover training and fees for commercial driver's licensing. The purpose of the fund is to support the program. Moneys in the fund will be used for program administration and to issue grants.
Revenue	Revenues for the fund are from legislative appropriations; state and federal grants; any money collected for commercial driver licensing fees and penalties, excluding fees for obtaining driving record information; and all interest earned or accrued on moneys deposited in the fund. The bills also propose that an unspecified amount of general funds be appropriated into the fund for fiscal year 2026-2027.
Analysis	**The bills do not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the program. An explanation of why the activities described in the bills cannot be successfully implemented through the general fund appropriation process was not provided.
Nexus or Linkage	Nexus or linkage exists between program grants and state grants, federal grants, all interest earned or accrued on moneys deposited in the fund, and moneys collected for commercial driver licensing fees and penalties. However, nexus or linkage does not exist between the program grants and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Search and Rescue Special Fund
S.B. No. 2157
Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Land and Natural Resources
Fund Type	Special fund
Purpose of Proposed Fund	The bill establishes the Search and Rescue Special Fund. The purpose of the fund is to support search and rescue activities. Moneys in the fund will be used for defraying search and rescue expenses of a government entity, search and rescue training, equipment maintenance and replacement costs, and educational and prevention initiatives.
Revenue	Revenues for the fund are from legislative appropriations; fines collected for criminal trespassing onto public parks and recreational grounds, and private donations. The bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2026-2027.
Analysis	**The bill does not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support search and rescue activities. 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 and fines collected for criminal trespass onto public parks and recreational grounds and private donations. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.
Additional Information	The following bills seek to establish a Search and Rescue Special Fund – S.B. No. 2157, S.B. No. 2937, S.B. No. 2938, and H.B. No. 2439.

Search and Rescue Special Fund
S.B. No. 2937
Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Land and Natural Resources
Fund Type	Special fund
Purpose of Proposed Fund	The bill establishes the Search and Rescue Card Program and the Search and Rescue Special Fund. The purpose of the program is to support search and rescue preparedness, training, equipment, and response. The purpose of the fund is to collect moneys from the issuance of search and rescue cards to provide support to organizations participating in search and rescue operations. Moneys in the fund will be used to defray search and rescue expenses of government entities or authorized volunteer organizations.
Revenue	Revenues for the fund are from moneys collected through the issuance of search and rescue cards.
Analysis	**The bill does not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the program. 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 program and moneys collected through the issuance of search and rescue cards.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.
Additional Information	The following bills seek to establish a Search and Rescue Special Fund – S.B. No. 2157, S.B. No. 2937, S.B. No. 2938, and H.B. No. 2439.

Search and Rescue Special Fund S.B. No. 2938 and H.B. No. 2439 Does Not Meet Criteria

Fund Analysis	
Department/agency	Office of the Governor
Fund Type	Special fund
Purpose of Proposed Fund	The bills establish the Office of the State Search and Rescue Coordinator and the Search and Rescue Special Fund. The purpose of the office is to oversee all statewide search and rescue operations, including coordination among participating agencies. The purpose of the fund is to cover the expenses of the office. Moneys in the fund will be used for operational and administrative expenses of the office; procurement of tools, equipment, and technology; development and implementation of training and certification programs; support for interagency coordination and communication systems; and public outreach and education efforts aimed at reducing the need for search and rescue operations.
Revenue	Revenues for the fund are from federal grants designated for search and rescue operations and related activities; legislative appropriations; private donations and charitable contributions; and any other sources of revenue permitted by law. The bills also propose that an unspecified amount of general funds be appropriated into the fund for fiscal year 2026-2027.
Analysis	**The bills do not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the activities of the office. An explanation of why the activities described in the bills cannot be successfully implemented through the general fund appropriation process was not provided.
Nexus or Linkage	Nexus or linkage exists between the activities of the office and federal grants designated for search and rescue operations and related activities; private donations and charitable contributions; and any other sources of revenue permitted by law. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.
Additional Information	The following bills seek to establish a Search and Rescue Special Fund – S.B. No. 2157, S.B. No. 2937, S.B. No. 2938, and H.B. No. 2439.

Solar Panel and Electric Vehicle Battery Recycling Special Fund
H.B. No. 2196
Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Health
Fund Type	Special fund
Purpose of Proposed Fund	The bill establishes the Solar Panel and Electric Vehicle Battery Recycling Special Fund. The purpose of the fund is to assist a program that will gather and recycle solar panels and electric vehicle batteries. Moneys in the fund will be used to support a program to be proposed by the department in future legislation. In addition, the fund will be used to pay owners of empty deposit beverage containers for one year after the Deposit Beverage Container Program is repealed and to reimburse the Office of the Auditor's expenses to conduct a management and financial audit of the Deposit Beverage Container Program for fiscal year 2026-2027.
Revenue	Revenues for the fund are from any unencumbered balance in the Deposit Beverage Container Deposit Special Fund upon its repeal. It is unclear what additional revenue will support this special fund.
Analysis	**The bill does not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support solar panel and electric vehicle battery gathering and recycling activities. 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 solar panel and electric vehicle battery gathering and recycling activities and the unencumbered balance in the Deposit Beverage Container Deposit Special Fund. The bill does not provide enough information to determine what the funds will be used for.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	No. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining without continued financial support from the General Fund.

Space Exploration and Aeronautics Research Special Fund H.B. No. 1903 Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Business, Economic Development, and Tourism
Fund Type	Special fund
Purpose of Proposed Fund	The bill establishes the Hawai‘i Space Commission and the Space Exploration and Aeronautics Research Special Fund. The purpose of the commission is to promote innovation in fields of space exploration and commercial aerospace, including the integration of space, aeronautics, and aviation industries into the State's economy by making grants and providing matching funding to persons and entities encouraging development related to space exploration and related research. The purpose of the fund is to provide grants to eligible entities. Moneys in the fund will be used for grants to eligible business, nonprofit, or governmental entities for costs related to space exploration and space flight including the development of emerging technologies, research, workforce training, curation of post-mission materials, and the development of infrastructure for establishing and maintaining a spaceport.
Revenue	Revenues for the fund are from gifts, grants, and donations to the commission, and legislative appropriations. The bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2026-2027.
Analysis	**The bill does not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate that a special fund is needed to support the commission and grants that may be issued. 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 commission's activities and grants and gifts, grants, and donations to the commission. However, nexus or linkage does not exist between the commission and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Spay and Neuter Special Fund
H.B. No. 1736
Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Budget and Finance
Fund Type	Special fund
Purpose of Proposed Fund	The bill establishes the Spay and Neuter Special Fund. The purpose of the fund is to reduce pet overpopulation by providing spaying and neutering surgery and associated veterinary care. Moneys in the fund will be disbursed by the State to the counties to provide spaying and neutering surgery and associated veterinary care.
Revenue	Revenues for the fund are from state income tax refund designations; legislative appropriations; private gifts or donations and other sources; and all interest earned or accrued on moneys deposited into the fund. The bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2026-2027.
Analysis	**The bill does not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the program. 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 and state income tax refund designations; private gifts or donations and other sources; and all interest earned or accrued on moneys deposited into the fund. However, nexus or linkage does not exist between the activities and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

State Rent Supplement Program Special Fund
S.B. No. 2227
Does Not Meet Criteria

Fund Analysis	
Department/agency	Hawai‘i Public Housing Authority
Fund Type	Special fund
Purpose of Proposed Fund	The bill establishes the State Rent Supplement Program Special Fund. The purpose of the fund is to support subsidies and monthly rent supplement payments for qualified tenants. Moneys in the fund will be used to provide rental assistance on behalf of qualified tenants under the State Rent Supplement Program and the program's functions.
Revenue	Revenues for the fund are from transaction fees for each applicable recording in the Office of the Assistant Registrar of the Land Court or the Bureau of Conveyances; legislative appropriations; and all interest earned and accrued on moneys deposited into the fund. The bill also proposes that $5,000,000 of general funds be appropriated into the fund for fiscal year 2026-2027.
Analysis	**The bill does not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the program. 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 program and all interest earned and accrued on moneys deposited into the fund. However, nexus or linkage does not exist between the program and continued support from legislative appropriations and transaction fees for each applicable recording in the Office of the Assistant Registrar of the Land Court or the Bureau of Conveyances.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

State-Led Marketing and Branding Special Fund
H.B. No. 1950
Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Business, Economic Development, and Tourism
Fund Type	Special fund
Purpose of Proposed Fund	The bill establishes the State-Led Marketing and Branding Special Fund. The purpose of the fund is to ensure that the State's marketing, branding, and tourism-management efforts are scaled to the success of tourism while also reserving resources to help the industry weather downturns. Moneys in the fund will be used for state-led marketing, branding, and tourism management conducted by the department in accordance with the comprehensive marketing, branding, and tourism management plan approved by the legislature.
Revenue	Revenues for the fund are fifteen percent of the revenues from the transient accommodations tax.
Analysis	**The bill does not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the activities. 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 and the transient accommodations tax.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Strategic Food Reserves Program Special Fund
S.B. No. 3162
Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Agriculture and Biosecurity
Fund Type	Special fund
Purpose of Proposed Fund	The bill establishes the Hawai‘i Strategic Food Reserves Program and the Strategic Food Reserves Program Special Fund. The purpose of the Hawai‘i Strategic Food Reserves Program is the establishment and maintenance of a strategic food reserve on each island of the State. The purpose of the fund is to support the Hawai‘i Strategic Food Reserves Program and Agricultural Market Development Grant Program that provides grants to farmers for infrastructure, equipment, and training necessary to produce priority crops. Moneys in the fund will be used for the acquisition of food supplies for strategic food reserves; construction, leasing, or maintenance of storage facilities; purchasing food storage and handling equipment; administrative costs; grants or incentives to increase production of storable food items by local agricultural producers; educational programs related to food security and emergency preparedness; forward contracts with local producers for future harvests of priority crops; development of processing infrastructure to make perishable produce shelf-stable; research and development of improved storage methods for tropical crops; support of the Agricultural Market Development Grant Program; and other necessary expenditures to carry out the purposes of the program.
Revenue	Revenues for the fund are from the sale of aged inventory through rotation; federal grants for food security programs; legislative appropriations; grants, donations, and contributions from public or private entities; interest accrued on the balance of the fund; and other revenues designated for this special fund. The bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2026-2027.
Analysis	**The bill does not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the programs. 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 programs and revenues generated from the sale of aged inventory through rotation; federal grants for food security programs; gifts, donations, and grants from public or private entities; interest accrued on the balance of the fund; and other revenues designated for the special fund. However, nexus or linkage does not exist between the programs and continued support from legislative appropriations.

Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Strengthen Hawai‘i Homes Revolving Fund S.B. No. 3311 Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Land and Natural Resources
Fund Type	Revolving fund
Purpose of Proposed Fund	The bill establishes the Strengthen Hawai‘i Homes Program and the Strengthen Hawai‘i Homes Revolving Fund. The purpose of the program is to provide grants to construct or retrofit insurable property to resist loss due to fire. The purpose of the fund is to support the program. Moneys in the fund will be used to help the department make grants available for mitigation projects to residential property owners and nonprofit entities.
Revenue	Revenues for the fund are from federal grants and other types of federal funding; donations and other types of funding from private, nonprofit, state, and county entities; and legislative appropriations. The bill also proposes that $1,000,000 of general funds be appropriated into the fund for fiscal year 2026-2027.
Analysis	**The bill does not satisfy criteria for establishing a revolving fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a revolving fund is needed to support the program. 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 program and federal grants and other types of federal funding, donations, and other types of funding from private, nonprofit, state, and county entities. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.4, HRS, revolving funds must demonstrate the capacity to be financially self-sustaining by annual projections that show that the revolving fund will be sustainable without appropriations of general funds into the revolving fund.

Teacher Temporary Hazard Pay Special Fund
S.B. No. 2394
Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Education
Fund Type	Special fund
Purpose of Proposed Fund	The bill establishes the Teacher Temporary Hazard Pay Special Fund. The purpose of the fund is to pay a temporary hazard pay bonus to certain eligible teachers employed as a member of bargaining unit 5 between March 4, 2020, and March 25, 2022. Moneys in the fund will be used to pay a temporary hazard pay bonus to each eligible teacher totaling $20,000 per employee.
Revenue	Revenues for the fund are from additional revenues generated by imposing the maximum allowable excise tax on the use of tangible personal property in the State for the importation or purchase of a motor vehicle by a lessor of rental motor vehicles for use as a rental motor vehicle.
Analysis	**The bill does not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the temporary hazard pay bonuses. 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 temporary hazard pay bonuses and the tax revenues collected on the sales and purchases of rental motor vehicles.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Universal School Meals Special Fund
S.B. No. 3232
Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Education
Fund Type	Special fund
Purpose of Proposed Fund	The bill establishes the Universal School Meals Special Fund. The purpose of the fund is to accept deposits of Medicaid reimbursements received by the department. Moneys in the fund will be used to fund universal school meals, which is not defined in the bill.
Revenue	Revenues for the fund are from Medicaid reimbursements received by the department, and moneys received in the form of grants and donations for universal school meals.
Analysis	**The bill does not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support universal school meals. 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 universal school meals and grants and donations for universal school meals. However, nexus or linkage does not exist between universal school meals and Medicaid reimbursements received by the department.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund or the School Lunch Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.

Vacant and Blighted Property Redevelopment Revolving Fund
H.B. No. 2625
Does Not Meet Criteria

Fund Analysis	
Department/agency	Hawai‘i Housing Finance and Development Corporation (HHFDC)
Fund Type	Revolving fund
Purpose of Proposed Fund	The bill establishes the Vacant and Blighted Residential Property Redevelopment Program and the Vacant and Blighted Property Redevelopment Revolving Fund. The purpose of the program is to identify, acquire, and redevelop vacant and blighted residential properties throughout the State; eliminate conditions of blight that threaten public health, safety, and welfare; increase the supply of affordable rental housing; and stabilize and improve neighborhoods adversely affected by vacant and blighted properties. The purpose of the fund is to provide loans, grants, or other financial assistance for the acquisition, rehabilitation, or redevelopment of vacant or blighted real property. Moneys in the fund will be used for the purchase, long-term leases, or other acquisitions of vacant or blighted real property; planning, design, environmental review, permitting, and related pre-development activities; stabilization, clearing, remediation, or rehabilitation of the property; redevelopment activities that facilitate the construction of affordable housing and related uses; program administrative expenses; providing grants to developers who develop affordable rental housing projects; and any other purpose the corporation determines necessary to carry out the intent of the program.
Revenue	Revenues for the fund are from legislative appropriations; money received from federal, state, or county sources; fees, assessments, or other charges collected by the corporation related to vacant or blighted property redevelopment; loan repayments, interest, and other returns on investments made from the fund; and any other money received by HHFDC for the purposes of this program. The bill also proposes that $25,000,000 of general funds be appropriated into the fund for fiscal year 2026-2027.
Analysis	**The bill does not satisfy criteria for establishing a revolving fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a revolving fund is needed to support the program. 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 program and money received from federal, state, or county sources and any other money received by the corporation for the purposes of this program; fees, assessments, or other charges collected by the corporation related to vacant or blighted property redevelopment; loan repayments, interest, and other returns on investments made from the fund; and any other money received by the corporation for the purposes of this program. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.4, HRS, revolving funds must demonstrate the capacity to be financially self-sustaining by annual projections that show that the revolving fund will be sustainable without appropriations of general funds into the revolving fund.

Veterinary Workforce Development Special Fund
S.B. No. 2158
Does Not Meet Criteria

Fund Analysis	
Department/agency	Department of Commerce and Consumer Affairs
Fund Type	Special fund
Purpose of Proposed Fund	The bill establishes the Veterinary Workforce Development Loan Repayment and Scholarship Program and the Veterinary Workforce Development Special Fund. The purpose of the program is to provide financial support to veterinary students and practicing veterinarians who agree to work as a full-time veterinarian in shortage areas of the State for a period of time. The purpose of the fund is to support the program and efforts to recruit and retain veterinarians in the State. Moneys in the fund will be used for maintaining accurate veterinarian workforce assessment information and providing or updating personal and professional information, providing loan repayment to veterinarians who commit to working in shortage areas of the State as part of the program, and providing veterinarian scholarships.
Revenue	Revenues for the fund are from legislative appropriations; gifts, donations, and grants; and interest earned or accrued on moneys in the special fund. The bill also proposes that an unspecified amount of general funds be appropriated into the fund for fiscal year 2026-2027.
Analysis	**The bill does not satisfy criteria for establishing a special fund.**
Demonstrated Need For the Fund	There is insufficient information to demonstrate a special fund is needed to support the program. 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 program and gifts, donations, grants, and interest earned or accrued on moneys in the special fund. However, nexus or linkage does not exist between the program and continued support from legislative appropriations.
Probable Effects of the Proposed Fund	It is unclear from the information provided what the probable effects of establishing this fund are.
Alternative Forms of Funding	The General Fund.
Self-Sustaining	It is unclear if the fund is self-sustaining without continued financial support from the General Fund. Pursuant to Section 37-52.3, HRS, special funds must demonstrate the capacity to be financially self-sustaining.