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# A BILL FOR AN ACT

RELATING TO STATE FUNDS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that continuing shifts in  
2 federal policy are creating significant and widespread  
3 challenges in Hawaii and across the nation. These federal  
4 changes, combined with broader economic trends, are expected to  
5 affect Hawaii's fiscal stability in the near future. Reductions  
6 in federal funding and uncertainty regarding future federal  
7 grant programs require the State to be prepared to assume  
8 financial responsibility for critical programs that currently  
9 rely on federal support.

10           The legislature further finds that in periods of economic  
11 uncertainty, it is essential for the State to maintain the  
12 ability to fund important programs with moneys that are not  
13 immediately needed elsewhere. In Act 87, Session Laws of  
14 Hawaii 2021, the State proactively transferred funds to mitigate  
15 fiscal disruptions caused by the coronavirus disease 2019  
16 pandemic. A similar approach is warranted in 2026 to ensure the  
17 continuity of essential services.



1           Accordingly, the purpose of this Act is to transfer  
2 non-general fund account balances that exceed one year's  
3 operating expenses to the general fund.

4           SECTION 2. The legislature determines that there are  
5 amounts in excess of the requirements of the various funds  
6 listed in this Act. Notwithstanding any law to the contrary,  
7 the director of finance may transfer the following amounts or so  
8 much thereof as may be necessary for fiscal year 2026-2027 from  
9 the following funds to the general fund:

FUND NAME	Minimum amount in excess of the requirements of the fund as determined by the legislature (\$)	Amount authorized to be transferred to the general fund by the director of finance (\$)
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10           SECTION 3. It is the intent of this Act not to:

11           (1) Jeopardize the receipt of any federal aid nor to  
12           impair the obligation of the State or any of its  
13           agencies to the holders of any bond issued by the  
14           State or by any of its agencies;

15           (2) Cause the State or any of its agencies to transfer  
16           moneys encumbered on the effective date of this Act;



1 (3) Cause the State or any of its agencies to be unable to  
2 meet a contractual obligation; and

3 (4) Compel the State or any of its agencies to transfer  
4 moneys into the general fund that are not eligible to  
5 for transfer into the general fund,

6 and to the extent, and only to the extent, necessary to  
7 effectuate this intent, the governor may modify the strict  
8 provisions of this Act, but shall promptly report any  
9 modification with reasons therefor to the legislature at its  
10 next session thereafter for review by the legislature.

11 SECTION 4. This Act shall take effect on July 1, 3000;  
12 provided that section 2 shall take effect retroactively on  
13 June 30, 2026.



**Report Title:**

Non-General Funds; Accounts

**Description:**

Transfers to the general fund the excess balances of various non-general funds and programs. Effective 7/1/3000. (HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

