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## Notes to Basic Financial Statements

### June 30, 2023

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The following summarizes the provisions relevant to the largest employee groups of the respective membership class. Retirement benefits for certain groups, such as police officers, firefighters, some investigators, sewer workers, judges, and elected officials, vary from general employees.

#### Noncontributory Class

- Retirement Benefits – General employees' retirement benefits are determined as 1.25% of average final compensation multiplied by the years of credited service. Employees with ten years of credited service are eligible to retire at age 62. Employees with 30 years of credited service are eligible to retire at age 55.
- Disability Benefits – Members are eligible for service-related disability benefits regardless of length of service and receive a lifetime pension of 35% of their average final compensation. Ten years of credited service are required for ordinary disability. Ordinary disability benefits are determined in the same manner as retirement benefits but are payable immediately, without an actuarial reduction, and at a minimum of 12.5% of average final compensation.
- Death Benefits – For service-connected deaths, the surviving spouse/reciprocal beneficiary receives a monthly benefit of 30% of the average final compensation until remarriage or re-entry into a new reciprocal beneficiary relationship. Additional benefits are payable to surviving dependent children up to age 18. If there is no spouse/reciprocal beneficiary or surviving dependent children, no benefit is payable.

Ordinary death benefits are available to employees who were active at time of death with at least ten years of credited service. The surviving spouse/reciprocal beneficiary (until remarriage/re-entry into a new reciprocal beneficiary relationship) and surviving dependent children (up to age 18) receive a benefit equal to a percentage of the member's accrued maximum allowance unreduced for age or, if the member was eligible for retirement at the time of death, the surviving spouse/reciprocal beneficiary receives 100% joint and survivor lifetime pension and the surviving dependent children receive a percentage of the member's accrued maximum allowance unreduced for age.

#### Contributory Class for Members Hired Prior to July 1, 2012

- Retirement Benefits – General employees' retirement benefits are determined as 2% of average final compensation multiplied by the years of credited service. General employees with five years of credited service are eligible to retire at age 55.

Police officers and firefighters' retirement benefits are determined using the benefit multiplier of 2.5% for qualified service, up to a maximum of 80% of average final compensation. Police officers and firefighters with five years of credited service are eligible to retire at age 55. Police officers and firefighters with 25 years of credited service are eligible to retire at any age, provided the last five years is service credited in these occupations.

- Disability Benefits – Members are eligible for service-related disability benefits regardless of length of service and receive a one-time payment of the member's contributions and accrued interest plus a lifetime pension of 50% of their average final compensation. Ten years of credited service are required for ordinary disability. Ordinary disability benefits are determined as 1.75% of average final compensation multiplied by the years of credited service but are payable immediately, without an actuarial reduction, and at a minimum of 30% of average final compensation.

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- *Death Benefits* – For service-connected deaths, the surviving spouse/reciprocal beneficiary receives a lump sum payment of the member’s contributions and accrued interest plus a monthly benefit of 50% of the average final compensation until remarriage or re-entry into a new reciprocal beneficiary relationship. If there is no surviving spouse/reciprocal beneficiary, surviving dependent children (up to age 18) or dependent parents are eligible for the monthly benefit. If there is no spouse/reciprocal beneficiary or surviving dependent children/parents, the ordinary death benefit is payable to the designated beneficiary.

Ordinary death benefits are available to employees who were active at time of death with at least one year of service. Ordinary death benefits consist of a lump sum payment of the member’s contributions and accrued interest plus a percentage of the salary earned in the 12 months preceding death, or 50% joint and survivor lifetime pension if the member was not eligible for retirement at the time of death but was credited with at least ten years of service and designated one beneficiary, or 100% joint and survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary.

Contributory Class for Members Hired After June 30, 2012

- *Retirement Benefits* – General employees’ retirement benefits are determined as 1.75% of average final compensation multiplied by the years of credited service. General employees with ten years of credited service are eligible to retire at age 60.

Police officers and firefighters’ retirement benefits are determined using the benefit multiplier of 2.25% for qualified service, up to a maximum of 80% of average final compensation. Police officers and firefighters with ten years of credited service are eligible to retire at age 60. Police officers and firefighters with 25 years of credited service are eligible to retire at age 55, provided the last five years is service credited in these occupations.

- *Disability and Death Benefits* – Members are eligible for service-related disability benefits regardless of length of service and receive a lifetime pension of 50% of their average final compensation plus refund of contributions and accrued interest. Ten years of credited service are required for ordinary disability.

For police officers and firefighters, ordinary disability benefits are 1.75% of average final compensation for each year of service and are payable immediately, without an actuarial reduction, at a minimum of 30% of average final compensation.

Death benefits for contributory members hired after June 30, 2012 are generally the same as those for contributory members hired June 30, 2012 and prior.

Hybrid Class for Members Hired Prior to July 1, 2012

- *Retirement Benefits* – General employees’ retirement benefits are determined as 2% of average final compensation multiplied by the years of credited service. General employees with five years of credited service are eligible to retire at age 62. General employees with 30 years of credited service are eligible to retire at age 55.

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- **Disability Benefits** – Members are eligible for service-related disability benefits regardless of length of service and receive a lifetime pension of 35% of their average final compensation plus refund of their contributions and accrued interest. Ten years of credited service are required for ordinary disability. Ordinary disability benefits are determined in the same manner as retirement benefits but are payable immediately, without an actuarial reduction, and at a minimum of 25% of average final compensation.
- **Death Benefits** – For service-connected deaths, the designated surviving spouse/reciprocal beneficiary receives a lump sum payment of the member’s contributions and accrued interest plus a monthly benefit of 50% of the average final compensation until remarriage or re-entry into a new reciprocal beneficiary relationship. If there is no surviving spouse/reciprocal beneficiary, surviving dependent children (up to age 18) or dependent parents are eligible for the monthly benefit. If there is no spouse/reciprocal beneficiary or surviving dependent children/parents, the ordinary death benefit is payable to the designated beneficiary.

Ordinary death benefits are available to employees who were active at time of death with at least five years of service. Ordinary death benefits consist of a lump sum payment of the member’s contributions and accrued interest plus a percentage multiplied by 150%, or 50% joint and survivor lifetime pension if the member was not eligible for retirement at the time of death but was credited with at least ten years of service and designated one beneficiary, or 100% joint and survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary.

**Hybrid Class for Members Hired After June 30, 2012**

- **Retirement Benefits** – General employees’ retirement benefits are determined as 1.75% of average final compensation multiplied by the years of credited service. General employees with ten years of credited service are eligible to retire at age 65. Employees with 30 years of credited service are eligible to retire at age 60. Sewer workers, water safety officers, and emergency medical technicians may retire with 25 years of credited service at age 55.
- **Disability and Death Benefits** – Provisions for disability and death benefits generally remain the same except for ordinary death benefits. Ordinary death benefits are available to employees who were active at time of death with at least ten years of service. Ordinary death benefits consist of a lump sum payment of the member’s contributions and accrued interest, or 50% joint and survivor lifetime pension if the member was not eligible for retirement at the time of death but was credited with at least ten years of service and designated one beneficiary, or 100% joint and survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary.

**Contributions**

Contributions are governed by HRS Chapter 88 and may be amended through legislation. The employer rate is set by statute based on the recommendations of the ERS actuary resulting from an experience study conducted every five years. Since July 1, 2005, the employer contribution rate is a fixed percentage of compensation, including the normal cost plus amounts required to pay for the unfunded actuarial accrued liabilities. The contribution rates for fiscal year 2023 were 41% for police officers and firefighters and 24% for all other employees. Contributions to the pension plan from the State was approximately \$630,570,000 for the fiscal year ended June 30, 2023.

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The employer is required to make all contributions for noncontributory members. Contributory members hired prior to July 1, 2012 are required to contribute 7.8% of their salary, except for police officers and firefighters who are required to contribute 12.2% of their salary. Contributory members hired after June 30, 2012 are required to contribute 9.8% of their salary, except for police officers and firefighters who are required to contribute 14.2% of their salary. Hybrid members hired prior to July 1, 2012 are required to contribute 6.0% of their salary. Hybrid members hired after June 30, 2012 are required to contribute 8.0% of their salary.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2023, the State reported a liability of approximately \$6.8 billion for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The State's proportion of the net pension liability was based on a projection of the State's long-term share of contributions to the pension plan relative to projected contributions of all participants, actuarially determined. At June 30, 2022, the State's proportion was 57.3570%, which was an increase of 0.6654% from its proportion measured as of June 30, 2021.

The following changes were made to the actuarial assumptions as of June 30, 2021 to June 30, 2022:

- The administrative expenses assumption was increased from 0.35% to 0.40%.
- The general wage inflation assumption represents the average increase in wages in the general economy and is used to index salaries for each cohort of new entrants in projections. The general productivity component of the general wage inflation assumption for general employees and teachers decreased from 1.00% to 0.50%, that now yields a nominal assumption of 3.00%. There was no change to the assumption for police officers and firefighters.
- The assumed salary increase schedules increased for all employees. These schedules include an ultimate component for general wage inflation that may add on additional increases for individual merit (which would include promotions) and then an additional component for step rates based on service. The schedules of assumed salary increase, that are the same, for general employees and teachers increased to 4.66%, from 4.41% for general employees and from 4.37% for teachers; while the salary schedules of police and firefighters increased to 5.78% from 5.57%.
- Pre-retirement mortality rates increased for police and firefighters.
- Retiree mortality was updated to the 2022 Public Retirees of Hawaii mortality tables. The rates are projected on a fully generational basis by the long-term rates of scale UMP from the year 2022 and with multiplier and setbacks based on plan and group experience.

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For the fiscal year ended June 30, 2023, the State recognized pension expense of approximately \$508,198,000. At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (amounts expressed in thousands):

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 123,295	\$ (102,526)
Changes in assumptions	16,882	(84,866)
Net difference between projected and actual earnings on pension plan investments	-	(277,049)
Changes in proportion and differences between State contributions and proportionate share of contributions	69,797	(22,185)
State contributions subsequent to the measurement date	630,570	-
Total	<u>\$ 840,544</u>	<u>\$ (486,626)</u>

At June 30, 2023, the approximate \$630,570,000 reported as deferred outflows of resources related to pensions resulting from State contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (amounts expressed in thousands):

<b>Fiscal Year</b>	
2024	\$ (71,797)
2025	(104,589)
2026	(193,854)
2027	95,619
2028	(2,031)
	<u>\$ (276,652)</u>

**Actuarial Assumptions**

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions adopted by the ERS's Board of Trustees on August 8, 2022, based on the 2021 Experience Study for the five-year period from July 1, 2016 through June 30, 2021:

Inflation	2.50%
Payroll growth rate	3.50%
Investment rate of return	7.00% per year, compounded annually including inflation

There were no changes to ad hoc postemployment benefits including cost of living allowances.

Post-retirement mortality rates are based on the 2022 Public Retirees of Hawaii mortality table with full generational projections in future years. Pre-retirement mortality rates are based on multiples of the Pub-2010 mortality table based on the occupation of the member.

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The long-term expected rate of return on pension plan investments was determined using a “top down approach” of the Client-Constrained Simulation-based Optimization Model (a statistical technique known as “re-sampling with a replacement” that directly keys in on specific plan-level risk factors as stipulated by the ERS’s Board of Trustees) in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future nominal rates of return (real returns plus inflation) by the target asset allocation percentage.

The rate of returns, based on ERS’s investment consultant as of June 30, 2022, are summarized in the following table:

<b>Classes</b>	<b>Strategic Class Weights</b>	<b>Long-Term Expected Geometric Rate of Return</b>
Broad growth		
Private equity	13.5 %	11.0 %
Global equity	20.0 %	8.5 %
Low volatility equity	4.0 %	7.8 %
Global options	4.0 %	6.4 %
Credit	6.0 %	7.7 %
Core real estate	6.0 %	6.4 %
Non-core real estate	4.5 %	9.5 %
Timber/agriculture/infrastructure	5.0 %	8.3 %
Diversifying strategies		
TIPS	2.0 %	3.3 %
Global macro	4.0 %	5.4 %
Reinsurance	4.0 %	6.4 %
Alternative risk premia	8.0 %	5.4 %
Long Treasuries	5.0 %	3.8 %
Intermediate government	4.0 %	3.2 %
Systematic trend following	<u>10.0 %</u>	6.2 %
Total investments	<u>100.0 %</u>	

***Discount Rate***

The discount rate used to measure the net pension liability was 7.00%, consistent with the rate used at the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the State will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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***Sensitivity of the State’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the State’s proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the State’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate (amounts expressed in thousands):

	<b>1% Decrease (6.00%)</b>	<b>Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
State’s proportionate share of the net pension liability	<u>\$ 9,107,182</u>	<u>\$ 6,791,174</u>	<u>\$ 4,873,963</u>

***Pension Plan Fiduciary Net Position***

The pension plan’s fiduciary net position is determined on the same basis used by the pension plan. The ERS financial statements are prepared using the accrual basis of accounting under which expenses are recorded when the liability is incurred, and revenues are recorded in the accounting period in which they are earned and become measurable. Employer and member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investment purchases and sales are recorded as of their trade date. Administrative expenses are financed exclusively with investment income.

There were no significant changes after the report measurement date. Detailed information about the pension plan’s fiduciary net position is available in the separately issued ERS financial report. The ERS complete financial statements are available at <http://ers.ehawaii.gov/resources/financials>.

***Payables to the Pension Plan***

The State’s employer contributions payable to the ERS by fiscal year-end was paid by June 30, 2023. Excess payments of \$41,979,850 are being applied to amounts due in fiscal year 2024.

**Postemployment Healthcare and Life Insurance Benefits**

***Plan Description***

The State provides certain healthcare and life insurance benefits to all qualified employees. Pursuant to Act 88, SLH 2001, the State contributes to the EUTF, an agent multiple-employer defined benefit plan that replaced the Hawaii Public Employees Health Fund effective July 1, 2003. The EUTF was established to provide a single delivery system of health benefits for state and county workers, retirees, and their dependents. The EUTF issues an annual financial report that is available to the public at <https://eutf.hawaii.gov/reports/>. The report may also be obtained by writing to the EUTF at P.O. Box 2121, Honolulu, Hawaii 96805-2121.

For employees hired before July 1, 1996, the State pays the entire base monthly contribution for employees retiring with ten years or more of credited service, and 50% of the base monthly contribution for employees retiring with fewer than ten years of credited service. A retiree can elect a family plan to cover dependents.

For employees hired after June 30, 1996 but before July 1, 2001, and who retire with less than ten years of service, the State makes no contributions. For those retiring with at least ten years but fewer than 15 years of service, the State pays 50% of the base monthly contribution. For employees retiring with at least 15 years but fewer than 25 years of service, the State pays 75% of the base monthly contribution.

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For employees retiring with at least 25 years of service, the State pays 100% of the base monthly contribution. Retirees in this category can elect a family plan to cover dependents.

For employees hired on or after July 1, 2001, and who retire with less than ten years of service, the State makes no contributions. For those retiring with at least ten years but fewer than 15 years of service, the State pays 50% of the base monthly contribution. For those retiring with at least 15 years but fewer than 25 years of service, the State pays 75% of the base monthly contribution. For employees retiring with at least 25 years of service, the State pays 100% of the base monthly contribution. Only single plan coverage is provided for retirees in this category. Retirees can elect family coverage but must pay the difference.

***Employees Covered by Benefit Terms***

At July 1, 2022, the State had the following number of plan members covered:

Inactive plan members or beneficiaries currently receiving benefits	39,326
Inactive plan members entitled to but not yet receiving benefits	7,564
Active plan members	<u>48,678</u>
Total plan members	<u>95,568</u>

***Contributions***

Contributions are governed by HRS Chapter 87A and may be amended through legislation. Contributions to the OPEB plan from the State was \$746,434,000 for the fiscal year ended June 30, 2023. The employer is required to make all contributions for members.

***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

At June 30, 2023, the State reported a net OPEB liability of approximately \$4.8 billion. The net OPEB liability was measured as of July 1, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

There were no changes between the measurement date, July 1, 2022, and the reporting date, June 30, 2023, that are expected to have a significant effect on the net OPEB liability.

For the fiscal year ended June 30, 2023, the State recognized OPEB expense of approximately \$295,751,000. At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (amounts expressed in thousands):

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ -	\$ (1,238,884)
Changes in assumptions	24,331	(213,829)
Net difference between projected and actual earnings on OPEB plan investments	19,357	-
State contributions subsequent to the measurement date	<u>746,434</u>	-
Total	<u>\$ 790,122</u>	<u>\$ (1,452,713)</u>



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At June 30, 2023, the approximate \$746,434,000 reported as deferred outflows of resources related to OPEB resulting from State contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (amounts expressed in thousands):

<b>Fiscal Year</b>	
2024	\$ (343,763)
2025	(338,416)
2026	(363,418)
2027	(180,391)
2028	(183,037)
	<u>\$ (1,409,025)</u>

***Actuarial Assumptions***

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions adopted by the EUTF's Board of Trustees on January 9, 2023, based on the experience study covering the five-year period ended June 30, 2022 as conducted for the ERS:

Inflation	2.50%
Salary increases	3.75% to 6.75% including inflation
Investment rate of return	7.00%
Healthcare cost trend rates	
PPO*	Initial rate of 6.40%; declining to a rate of 4.25% after 22 years
HMO*	Initial rate of 6.40%; declining to a rate of 4.25% after 22 years
Part B and Base	
Monthly Contribution	Initial rate of 5.00%; declining to a rate of 4.25% after 22 years
Dental	4.00%
Vision	2.50%
Life insurance	0.00%

\* Blended rates for medical and prescription drugs.

Mortality rates are based on system-specific mortality tables utilizing scale BB to project generational mortality improvement.

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The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each asset class are summarized in the following table:

<b>Asset Class</b>	<b><u>Target Allocation</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>
Private equity	12.5 %	11.72 %
U.S. microcap	6.0 %	8.28 %
Global equity	27.5 %	6.62 %
Global options	5.0 %	4.45 %
Real assets	10.0 %	6.59 %
Private credit	8.0 %	6.38 %
TIPS	5.0 %	1.35 %
Long Treasuries	6.0 %	2.32 %
Alternative risk premia	5.0 %	3.74 %
Trend following	10.0 %	4.53 %
Reinsurance	5.0 %	4.81 %
Total investments	<u>100.0 %</u>	

***Single Discount Rate***

The discount rate used to measure the net OPEB liability was 7.00%, based on the expected rate of return on OPEB plan investments of 7.00%. Beginning with the fiscal year 2019 contribution, the State's funding policy is to pay the recommended actuarially determined contribution, which is based on layered, closed amortization periods. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. In July 2020, the Governor's office issued the Tenth Proclamation related to the COVID-19 Emergency, allowing employers of the EUTF to suspend Act 268 contributions for fiscal year ending June 30, 2021, and instead limit their contribution amounts to the OPEB benefits due. This relief provision related to OPEB funding was extended to fiscal years 2022 and 2023 by Act 229, SLH 2021. The OPEB plan's fiduciary net position is expected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

***OPEB Plan Fiduciary Net Position***

The OPEB plan's fiduciary net position has been determined on the same basis used by the OPEB plan. The EUTF's financial statements are prepared using the accrual basis of accounting under which revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the cash flows. Employer contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investment purchases and sales are recorded on a trade-date basis. Administrative expenses are financed exclusively with investment income.

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There were no significant changes after the report measurement date. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued EUTF financial report. The EUTF's complete financial statements are available at <https://eutf.hawaii.gov/reports/>.

***Changes in Net OPEB Liability***

The following table represents a schedule of changes in the net OPEB liability. The ending balances are as of the measurement date, July 1, 2022 (amounts expressed in thousands):

	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net OPEB Liability</b>
Beginning balance	\$ 8,685,737	\$ 3,269,749	\$ 5,415,988
Service cost	201,850	-	201,850
Interest on the total OPEB liability	674,362	-	674,362
Difference between expected and actual experience	(912,381)	-	(912,381)
Changes of assumptions	(232,553)	-	(232,553)
Employer contributions	-	445,545	(445,545)
Net investment loss	-	(64,505)	64,505
Benefit payments	(310,900)	(310,900)	-
Administrative expense	-	(264)	264
Other	-	868	(868)
Net changes	<u>(579,622)</u>	<u>70,744</u>	<u>(650,366)</u>
Ending balance	<u>\$ 8,106,115</u>	<u>\$ 3,340,493</u>	<u>\$ 4,765,622</u>

***Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates***

The following table presents the State's net OPEB liability calculated using the discount rate of 7.00%, as well as what the State's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current discount rate (amounts expressed in thousands):

	<b>1% Decrease (6.00%)</b>	<b>Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
State's proportionate share of the net OPEB liability	<u>\$ 5,901,975</u>	<u>\$ 4,765,622</u>	<u>\$ 3,862,455</u>

The following table presents the State's net OPEB liability calculated using the assumed healthcare cost trend rate, as well as what the State's net OPEB liability would be if it were calculated using the trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate (amounts expressed in thousands):

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rate</b>	<b>1% Increase</b>
State's proportionate share of the net OPEB liability	<u>\$ 3,813,381</u>	<u>\$ 4,765,622</u>	<u>\$ 5,983,174</u>

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***Payables to the OPEB Plan***

There was no contributions payable to the EUTF as of June 30, 2023.

**12. Commitments and Contingencies**

**Commitments**

***General Obligation Bonds***

The State has issued general obligation bonds in which repayments, including interest, are reimbursed from specific revenue sources of the Special Revenue Funds with terms corresponding to that of the related general obligation bonds (see Note 4). At June 30, 2023, outstanding commitments to repay general obligation bonds consisted of the following (amounts expressed in thousands):

**Special Revenue Funds**

Agriculture	\$ 4,047
Natural Resources	27,484
	<u>\$ 31,531</u>

***Accumulated Sick Leave***

Sick leave accumulates at the rate of one and three-quarters working days for each month of service without limit but may be taken only in the event of illness and is not convertible to pay upon termination of employment. However, a State employee who retires or leaves government service in good standing with 60 days or more of unused sick leave is entitled to additional service credit in the ERS. At June 30, 2023, accumulated sick leave was approximately \$1,350,849,000.

***Intergovernmental Expenditures***

Pursuant to HRS Section 248-2.7, the State has established a mass transit Special Fund. For the period beginning on January 1, 2018 to December 31, 2030, transient accommodations tax and surcharge on state tax revenues allocated to the mass transit special fund pursuant to HRS Sections 237D-2(e), and 248-2.6 shall be deposited into the special fund.

***Encumbrances***

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditures are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. These amounts generally will become liabilities in future periods.

Significant encumbrances at June 30, 2023 include (amounts expressed in thousands):

<b>Fund Type</b>	
General	\$ 1,050,902
Capital Projects	1,982,689
Med-Quest Special Revenue	30,389
Administrative Support Special Revenue	30,266
Natural Resources Special Revenue	98,719
Hawaiian Programs Special Revenue	89,148
Other Governmental	1,942,828
	<u>\$ 5,224,941</u>

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***Guarantees of Indebtedness***

The State is authorized to guarantee indebtedness of others at a maximum amount of approximately \$233,500,000 for aquaculture/agriculture loans, Hawaiian home land loans, various projects involving mortgage loans for rental homes made by private nonprofit corporations or governmental corporations, mortgage loans for housing projects, and rental assistance obligations of Component Units – HHFDC and HPHA. The State has not paid, nor does it expect to pay, any amounts as a result of such guarantees as of June 30, 2023.

**Proprietary Fund Type – Enterprise Funds**

***Construction and Service Contracts***

At June 30, 2023, the Enterprise Funds had commitments of approximately \$1,203,724,000 for construction and service contracts.

***Contingencies***

The State has been named as defendant in numerous lawsuits and claims arising in the normal course of operations. To the extent that the outcome of such litigation has been determined to result in probable financial loss to the State, such loss has been accrued in the basic financial statements. Of the remaining claims, a number of claims may possibly result in adverse judgments against the State. However, such claim amounts cannot be reasonably estimated at this time. The litigation payments relating to the years ended June 30, 2023, 2022 and 2021 approximated \$343,189,000, \$12,534,000 and \$1,580,000, respectively.

***Tobacco Settlement***

In November 1998, the State settled its tobacco lawsuit as part of a nationwide settlement involving 46 other states and various tobacco industry defendants. Under the settlement, those tobacco companies that have joined in the Master Settlement Agreement (MSA) will pay the State approximately \$1.3 billion over a 25-year period. The State is to receive proceeds from this settlement in January and April of the subsequent year through 2004 and thereafter on April 15 of each subsequent year. The State received approximately \$40,863,000 during the fiscal year ended June 30, 2023. As of June 30, 2023, the State expects to receive \$20,000,000 for the first six months of fiscal 2024.

The MSA requires the State to diligently enforce certain requirements enacted in the Tobacco Liability Act. Failure may result in a state losing a significant portion of its MSA payments. Participating tobacco manufacturers who have joined in the MSA are challenging whether the State of Hawaii diligently enforced the provisions of the Tobacco Liability Act for the entirety of 2004. Preliminary phases of the 2004 Diligent Enforcement Arbitration commenced, and in March 2018, the State agreed to a multi-million dollar arbitration settlement with the Tobacco Industry to avoid the expense and uncertainty of arbitrating each calendar year from 2004 through and including 2017. During the fiscal year ended June 30, 2018, the State received a lump sum arbitration settlement of approximately \$58,711,000. The settlement was reduced by approximately \$15,875,000 in a “one time” arbitration credit and other arbitration adjustments. The arbitration settlement also resulted in credits over a five-year period, beginning in 2018. Although the NPM Adjustments Settlement Agreement is still in effect, because sales year 2022 has passed, the State faces the risk of losing tens of millions of dollars from future MSA payments if the State is found to be non-diligent for sales year 2023 and into the future in arbitration. Because Illinois and Iowa have settled through sales years 2028 and 2029, the State and all other signatory states are currently negotiating for a similar extension. In March 2024, the State signed onto the 2023 and 2024 NPM Adjustments Settlement Agreement. The State is now settled through sales year 2024.

***Office of Hawaiian Affairs and Ceded Lands***

In 1898, the former Republic of Hawaii transferred certain lands to the United States. Upon Hawaii's admission to the Union in 1959, the United States reconveyed title to those lands (collectively, the Ceded Lands) to the State of Hawaii to be held as a public trust for five purposes: (1) public education; (2) betterment of the conditions of native Hawaiians; (3) development of farm and home ownership; (4) making public improvements; and (5) provision of land for public use. On November 7, 1978, the State Constitution was amended expressly to provide that the Ceded Lands, excluding any "available lands" as defined in the Hawaiian Homes Commission Act of 1920 (HHCA), as amended, were to be held as a public trust for native Hawaiians and the general public, and to establish OHA to administer and manage the proceeds and income derived from a pro rata portion of the Ceded Lands as provided by law to better the conditions of native Hawaiians. In 1979, the Legislature adopted HRS Chapter 10 (Chapter 10), which, as amended in 1980, specified, among other things, that OHA expend 20% of the funds derived by the State from the Ceded Lands for the betterment of native Hawaiians. Since then, the State's management of the Ceded Lands and its disposition of the proceeds and income from the Ceded Lands have been challenged by OHA, and individual native Hawaiians, Hawaiians and non-Hawaiians. Claims have been made under Article XII, Sections 4 and 6 of the Hawaii Constitution to the effect that the State has breached the public trust, and OHA has not received from the Ceded Lands all of the income and proceeds that it should be receiving. Except for the claims pending in the OHA v. HHA case discussed below, the Legislature, the state and federal courts, and the State's governors have acted to address the concerns raised. However, there can be no assurance that in the future there will not be asserted against the State new claims made under Article XII, Sections 4 and 6 of the Hawaii Constitution that the State has breached the public trust, or that OHA is not receiving from the Ceded Lands all of the income and proceeds that it should be receiving.

In *OHA v. UH; DLNR; Board of Land and Natural Resources*, Civil No. 17-1-1823-11 JPC (1st Cir.), by the letter dated May 31, 2016, addressed to the State's Attorney General and to the Vice-President for Legal Affairs and General Counsel of UH, OHA gave notice, pursuant to HRS Section 673-3, of its intent to sue DLNR and the UH for the State's breach of its fiduciary duties as trustee of the public land trust, in connection with their management of Mauna Kea. OHA filed its Complaint for Declaratory Judgment & Injunctive Relief, Accounting, Restitution, and Damages on November 7, 2017, asserting causes of action for breach of fiduciary duty with respect to the public-land trust and the public-trust doctrine and for breach of contract. On March 23, 2021, OHA and the defendants entered into a stipulation dismissing, with prejudice, all claims asserted by OHA for monetary damages. Such stipulation does not affect OHA's pending claims for declaratory and prospective injunctive relief. The State is not aware of any other claims that OHA may have or assert against the State. Trial is scheduled for July 8, 2024. Resolution of any claims in favor of OHA and its beneficiaries could have a material adverse effect on the State's financial condition.

***Department of Hawaiian Home Lands***

In 1991, the Legislature enacted HRS Chapter 674, entitled "Individual Claims Resolution Under the Hawaiian Home Lands Trust," which established a process for individual beneficiaries of the HHCA to file claims to recover actual economic damages they believed they suffered from a breach of trust caused by an act or omission of an official of the State between August 21, 1959, when Hawaii became a state, and June 30, 1988. Claims were required to be filed no later than August 31, 1995. There were 4,327 claims filed by 2,721 individuals.

The process was a three-step process which: (1) began with informal proceedings presided over by the Hawaiian Home Lands Trust Individual Claims Review Panel (the Panel) to provide the Legislature with non-binding findings and advisory opinions for each claim; (2) provided for the Legislature's review and consideration of the Panel's findings and advisory opinions, and appropriations of funds to pay the actual

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economic damages the Legislature deemed appropriate; and (3) allowed claimants to bring de novo civil actions by December 31, 1999 if they were not satisfied with the Panel's findings and advisory opinions, or the Legislature's response to the Panel's recommendations.

In 1997, the Legislature declared its intent to postpone acting upon the Panel's recommendations until all claims had been reviewed and forwarded to it. Legislation to allow the Panel and the Legislature until September 30, 2000 to act on all claims, and postpone the deadline for unsatisfied claimants to file suit until December 31, 2000, was adopted by the Legislature, but vetoed by the Governor in the 1999 regular session, and the Panel sunsetted on December 31, 1999.

On December 29, 1999, three claimants filed a class action lawsuit in the state circuit court for declaratory and injunctive relief and for general, special and punitive damages for breach of trust or fiduciary duty under HRS Chapters 674 and 673, violation of the due process, equal protection, and native rights clauses of the State Constitution, and breach of contract under HRS Chapter 661.

*Kalima et al. v. State of Hawaii et al.*, Civil No. 99-4771 12VSM (1st Cir.) (*Kalima I*). Five other claimants filed similar individual claims actions for themselves on or before December 31, 1999. The Plaintiffs in these other actions stipulated to stay all proceedings in their actions pending the resolution of all questions of law in *Kalima I* that are common to the questions of law presented in their suits. Following the dismissal without prejudice of the actions of four of the five claimants, only one lawsuit, *Aguiar v. State of Hawaii, et al.*, Civil No. 99-612 (3rd Cir.) (*Aguiar*), is pending and stayed.

On March 30, 2000, the three named plaintiffs in *Kalima I* filed a second class action lawsuit in the state circuit court for declaratory and injunctive relief, and for damages under HRS Chapter 673, for the Panel's and Legislature's alleged failure to remedy their breach of trust claims under HRS Chapter 674.

*Kalima et al. v. State of Hawaii, et al.*, Civil No. 00-1-1041-03 (1st Cir.) (*Kalima II*). All proceedings in this action were stayed by stipulation, pending the resolution of those questions of law in *Kalima I* that are common to both *Kalima I* and *Kalima II*. *Kalima I*, *Kalima II* and *Aguiar* are collectively referred to under this caption as the "Individual Claims Cases."

The Plaintiffs in *Kalima I* filed a motion for partial summary judgment and asked the circuit court to declare that they were entitled to sue for breach of trust and recover damages under HRS Chapter 674. The State moved to dismiss the complaint and all claims in *Kalima I* for lack of subject matter jurisdiction. The circuit court granted the Plaintiffs' motion and denied the State's motion. The State was permitted to make an interlocutory appeal. In an opinion issued June 30, 2006, the Hawaii Supreme Court affirmed the circuit court's determination that the Plaintiffs were entitled to pursue their claims under HRS Chapter 674, but did not have a right to sue under HRS Chapter 661, and remanded the case back to the trial court for further proceedings.

The Plaintiffs in *Kalima I* have since filed first and second amended complaints to add 11 plaintiffs, and to divide the class into nine subclasses to include those with claims for damages for injuries allegedly suffered by (1) allegedly waiting too long to receive a homestead, (2) being barred from or delayed in receiving a homestead by allegedly ultra vires rules, (3) receiving allegedly uninhabitable homesteads, (4) allegedly lost applications, (5) allegedly defectively constructed homes or infrastructure, (6) allegedly being prevented from or delayed in succeeding to a parent's or spouse's homestead, (7) the manner in which the loans were administered, (8) the manner in which the leases were administered, and (9) other allegedly wrongful conduct. The court granted the Plaintiffs' motion to try the waiting list subclass' claims separately and first, and after a six-week bifurcated trial to determine liability only, the circuit judge for *Kalima II* ruled on November 3, 2009 that the State committed three breaches of trust between 1959

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and 1988, and further proceedings were necessary to determine the amount of out-of-pocket damages the waiting list subclass members sustained, if any, as a result of those breaches.

By orders entered on November 24, 2009 and June 6, 2011, respectively, the Waiting List Liability Subclass certified for purposes of determining liability was recertified for the purpose of establishing causation and the fact of damages (over the State's objection), and again as the Waiting List Damages Model Subclass for the purpose of devising a model for use on a class-wide basis to determine the amount of damages subclass members may be awarded. Notice to the putative members of the Waiting List Damages Model Subclass of the right to opt out of the Waiting List Damages Model Subclass was mailed to all members of the Waiting List Liability Subclass on May 22, 2012, and published on the DHHL website, and in the DHHL and OHA newsletters.

Multiple motions to establish a damages model were filed and heard between March 2011 and August 31, 2012. Orders were entered on January 24, 2012 and February 14, 2013. After a three-day trial completed on October 3, 2013, the court ruled in a Minute Order that (1) the annual fair market rental values used to calculate damages for claimants who applied for Oahu residential leases be based on 4% of the fee simple value of a 5,000 square foot lot in Maili, obtained from a "best fit" curve derived from actual fee simple Maili valuations from 1959 through July 8, 2013, (2) for damage calculations the rents adjust annually, and (3) that there are no increases for the consumer price index or other present value adjustments. However, to date, no proceeding or procedure has been scheduled or devised to apply the damages model to determine whether and how much each claimant would be awarded in damages. The parties have participated in a private mediation on the matters in controversy in the case, pursuant to the circuit court's order approving the parties' Stipulation to Participate in Private Mediation, etc., filed on September 13, 2013.

On January 20, 2015, the Plaintiffs filed a motion for summary judgment to compute the damages of members of the Waiting List Damages Subclass (none of whom were named plaintiffs) who applied for a residential homestead on Oahu. The motion was heard on June 30, 2015. An order granting and denying the motion in part was entered on July 26, 2017. The court concluded the Plaintiffs' motion was premature, and entered an order which makes certain findings of facts about twelve members of the Waiting List Subclass, and rules on procedural issues raised in the motion.

The parties agreed to make every effort to facilitate the entry of a final judgment in the case as expeditiously as possible. In furtherance of that effort, the Plaintiffs filed seven motions in June and July of 2016. The State filed cross motions to three of the Plaintiffs' motions, and opposed all the Plaintiffs' motions. The circuit court heard all motions on September 2, 2016, and took them under advisement. The Plaintiffs filed four additional motions and the State filed three additional motions, which were heard on November 4, 2016, December 12, 2016, and January 30, 2017, respectively.

The circuit court entered orders granting (in whole or in part) eleven of the Plaintiffs' motions and denying (in whole or in part) two of the Plaintiffs' motions. The circuit court entered orders granting (in whole or in part) three of the State's motions and cross motions and denying (in whole or in part) three of the State's motions and cross motions and denying (in whole or in part) four of the State's motions and cross motions.

An HRCF Rule 54(b) Final Judgment was entered on January 9, 2018 in favor of the Waiting List Subclass and against the State, DHHL, the DHHL Trust Individual Claims Review Panel, and the Governor of the State of Hawaii. State Defendants and the Plaintiffs, respectively, filed an appeal and a cross-appeal from the HRCF Rule 54(b) Final Judgment in favor of the Waiting List Subclass and against the State Defendants,



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in the Intermediate Court of Appeals. The opening briefs in the appeal and cross-appeal were filed through October 4, 2018. The reply briefs were filed on December 28, 2018.

The Plaintiffs filed an Application for Transfer to the Supreme Court of Hawaii on December 31, 2018 and State Defendants informed the Supreme Court that they did not oppose the application in a response to the application on January 7, 2019. The case was fully briefed and oral argument was presented in the Supreme Court on August 21, 2019. The case was taken under advisement by the court.

In an opinion issued on June 30, 2020, the Supreme Court of Hawaii ruled as follows:

- The circuit court did not err in adopting a fair market rental value model to determine damages for each Waiting List Subclass member as opposed to requiring each member to prove their out-of-pocket loss individually.
- The circuit court did not err in adopting State Defendant’s “best fit curve” for use in their fair market value model.
- The circuit court did not err in applying the fair market value rental value model, which was created using a sample lot on Oahu, to all Waiting List Subclass members, regardless of whether they lived on another island.
- All Waiting List Subclass members are entitled to damages under the fair market rental value model, and State Defendants have the burden of establishing any applicable defenses that would reduce those damages.
- Damages for Waiting List Subclass members cannot be adjusted to present value to account for inflation.
- The circuit court erred in ruling that damages for Waiting List Subclass members only begins to accrue six years after DHHL received their homestead applications.
- The circuit court did not err in finding that the State of Hawaii breached its trust duties by failing to recover lands that were withdrawn from the trust corpus by the federal government before Statehood.
- The circuit court did not err in establishing a list of Waiting List Subclass members; each member will go through the claims administration process to determine if they have a viable claim for damages. The court held that inclusion of a claimant is automatically entitled to damages.

The Supreme Court directed that the case be remanded to the circuit court for further proceedings consistent with its opinion, and judgment on appeal was entered on July 21, 2020. On July 24, 2020, the Plaintiffs’ counsel filed motions for attorneys’ fees and costs, seeking over a million dollars in lodestar and enhanced fees for their work on the appeal and interim fees. The State opposed the amount requested. The motions were granted in part and denied in part by the Supreme Court of Hawaii, which reduced the total amount to approximately \$370,000.

The parties to *Kalima I* entered into settlement negotiations in March and April 2022. On April 14, 2022, the parties agreed on the material terms of a global settlement in this case. Under the terms of the settlement, the State agreed to pay the Plaintiffs \$328,000,000 for a full and final release of all class claims, including claims for attorneys’ fees and costs. The settlement was conditioned on the Legislature

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appropriating the funds to pay the settlement amount, and upon final court approval of the settlement under HRCF Rule 23.

On May 3, 2022, the Legislature passed Senate Bill No. 3041, which appropriated \$328,000,000 in general funds to fund the State's payment under the settlement agreement, among other appropriations. The appropriation became effective when the Governor signed the bill into law on July 11, 2022.

On August 8, 2022, the State deposited the settlement amount of \$328,000,000 with the Clerk of the Court, First Circuit, State of Hawaii. Under the settlement agreement, the funds are to be held until the Court grants final approval of the settlement. Up to \$2,000,000 of the settlement amount may be spent on claims administration costs prior to final approval. This \$2,000,000 was released to a court-appointed auditor to pay pre-final approval costs as they were incurred, leaving a balance of \$326,000,000 in the Court's account.

The Court has appointed a Claims Administrator to implement the class notice plan and claims administration process. The Court has also appointed a Settlement Special Master to supervise the claims administration process and the Claims Administrator, and to provide an accounting of all settlement funds to the Court.

On August 1, 2023, the Court entered an order granting final approval of the settlement and final judgment. On August 17, 2023, one class member filed a notice of appeal with the circuit court. On October 27, 2023, the Hawaii Supreme Court dismissed the appeal. The class-wide release of claims against the defendants became final with the dismissal of the appeal.

On October 30, 2023, the Clerk of the Court paid the remaining balance of the settlement funds (\$326,000,000) to the court-appointed auditor. The auditor will transfer the \$326,000,000 and any unspent claims administration funds to the trustee of a qualified settlement trust that has been established to distribute payments to individual class members. Any remaining settlement funds that cannot be distributed in accordance with the settlement will be paid to the Department of Hawaiian Homelands, State of Hawaii, to be used for the purposes set forth in section 214(a) of the Hawaiian Homes Commission Act.

*Nelson* – In the First Amended Complaint filed on October 19, 2007 in *Nelson et al., v. Hawaiian Homes Commission, et al.*, Civil No. 07-1-1663-08 BIA (1st Cir.) (*Nelson*), the Plaintiffs allege all defendants breached their duties under Article XII, Sections 1 and 2 of the Hawaii Constitution by not providing sufficient funds to DHHL to place as many beneficiaries on residential, agricultural and pastoral homesteads within a reasonable period of time, and provide a fully functioning farm, ranch and aquaculture support program to maximize utilization of the homestead lands. They also allege that the Hawaiian Homes Commission and its members are in breach of the Hawaiian Home Lands Trust for failing to obtain sufficient funds from the Legislature, and otherwise enforcing the provisions of Article XII, Sections 1 and 2 of the Hawaii Constitution, including filing suit against the State. Further, they allege that DHHL and the Hawaiian Homes Commission and its members have violated the HHC Act by leasing Hawaiian home lands solely to generate revenue and for commercial developments that are unrelated to actual homesteading programs, and without adhering to the requirements of Section 207(a) of the HHC Act.

As beneficiaries of the Hawaiian Home Lands Trust and the HHC Act, the *Nelson* Plaintiffs asked the court to issue a mandatory injunction requiring DHHL and the Hawaiian Homes Commission and its members to seek, and the State to provide, sufficient funds for DHHL to place as many beneficiaries on the land within a reasonable period of time. On January 21, 2009, the court granted the defendants' motion for entry of

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summary judgment rejecting all claims that are based on the theory that the Hawaii State Legislature, the State of Hawaii, or any State agency or employee, is required to appropriate, request or otherwise provide or secure particular amounts of money for DHHL and its programs now and in the future. The court concluded that the political question doctrine barred it from deciding those claims because initial policy determinations that the court lacked authority to make were needed to resolve the parties' dispute over the definition and determination of "sufficient sums" as that term is used in Article XII, Section 1 of the Hawaii Constitution.

A final judgment in favor of the State was filed on September 23, 2009, and the Plaintiffs appealed. On January 12, 2011, the Intermediate Court of Appeals concluded that the political question doctrine did not preclude the courts from deciding the Plaintiffs' claims, and vacated the judgment and remanded the case to the circuit court for further proceedings. On May 4, 2011, the State and Director of Finance filed an application for writ of certiorari in the Hawaii Supreme Court to reverse the Intermediate Court of Appeals' judgment on appeal, and affirm the circuit court's final judgment. In the Hawaii Supreme Court, DHHL and the Hawaiian Homes Commission and its members changed their position, and no longer supported the political question doctrine defense.

On May 9, 2012, the Hawaii Supreme Court concluded that there are no judicially manageable standards for determining "sufficient sums" for purposes of (1) developing lots, (2) loans, and (3) rehabilitation projects, which are the first three items listed in Article XII, Section 1. The Hawaii Supreme Court thus held the Plaintiffs' claims with respect to those items should have been rejected on political question grounds, and the Intermediate Court of Appeals erred in not so concluding. However, the Hawaii Supreme Court did uphold the Intermediate Court of Appeals as to item (4) of Article XII, Section 1, concluding that there are judicially manageable standards to determine what constitutes sufficient sums for "administrative and operating expenses." Determination of this amount awaits further litigation in the circuit court on remand. Pursuant to the Judgment on Appeal issued on July 25, 2013, the case was remanded to the circuit court for further proceedings.

On November 27, 2015, the circuit court issued its Findings of Fact, Conclusions of Law, and Order, which declared and ordered (1) the State has failed to provide sufficient funds to DHHL for its administrative and operating budget (budget) in violation of the State's constitutional duty, (2) the State must fulfill its constitutional duty by appropriating sufficient general funds to DHHL for its budget so that DHHL does not need to use or rely on revenue from general leases, and (3) although what is "sufficient" will change over the years, the sufficient sums that the Legislature is constitutionally obligated to appropriate in general funds for DHHL's budget (not including significant repairs) is more than \$28 million for fiscal year 2016. The circuit court also ruled that prior to 2012, DHHL breached its trust duties by failing to take all reasonable efforts, including filing suit, to obtain all the funding it needs for its budget, and shall prospectively fulfill its constitutional duties and trust responsibilities and are enjoined from violating these obligations.

On December 21, 2015, after judgment was entered, the State filed a motion for reconsideration or to alter or amend the judgment and order, which the court granted in part and denied in part. The court rejected the State's position that (1) the Legislature, not the courts, has the exclusive prerogative to decide what is a "sufficient sum" for DHHL's budget under Article XII, Section 1, and (2) there was insufficient evidence to support the court's conclusion that the "sufficient sum" for DHHL's budget is more than \$28 million for fiscal year 2016. The court granted reconsideration with the State's position that the judicial courts lack the authority, under the separation of powers doctrine, to order the legislative branch to appropriate any particular amount of funds to DHHL. The court amended its original Order to state that \$9,632,000 is not sufficient and that the State is required to fund DHHL's expenses by making sufficient general funds available to DHHL for fiscal year 2016.

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The Plaintiffs filed a motion for reconsideration which the court denied. The State filed a notice of appeal and the Plaintiffs filed a notice of cross-appeal, both filed in the Intermediate Court of Appeals. Briefing in both appeals is completed, and on February 23, 2017, the Legislature was allowed, and filed an amicus curiae brief in support of the State's positions. On March 8, 2017, in response to the DHHL's application for transfer, the Hawaii Supreme Court transferred the appeal and cross-appeal from the Intermediate Court of Appeals to the Hawaii Supreme Court.

The Hawaii Supreme Court heard oral arguments in the appeal and cross-appeal on July 6, 2017. By its decision filed on February 9, 2018, the Hawaii Supreme Court vacated and remanded the case to the circuit court after holding that the circuit court is to use a baseline of \$1,300,000 to \$1,600,000, adjusted for inflation, to determine whether the State provided sufficient sums for DHHL's administrative and operating budget. The case was assigned to the circuit court, and the court set a status conference for December 16, 2019. On remand, the circuit court directed, and the parties filed motions that set out their positions on how the court should proceed in response to the *Nelson II* decision. The motions were heard on June 1, 2020, and denied in a Minute Order filed on June 23, 2020, which provides that the circuit court will hold an evidentiary hearing, applying the Hawaii Rules of Evidence, to complete the task the court was given on remand: to determine the administrative and operating budget for the fiscal year 2016 budget by using the 1978 baseline of \$1,300,000 to \$1,600,000 adjusted for inflation.

A two-day evidentiary hearing was held on September 9 and 10, 2020, at which each of the parties presented differing expert testimony for adjusting the 1978 baseline of \$1,300,000 to \$1,600,000 for inflation, and determining whether the Legislature had provided sufficient sums for DHHL's fiscal year 2016 administrative and operating budget. On December 18, 2020, the circuit court entered its Findings of Fact, Conclusions of Law, and Order in favor of the State Defendants. The court found that, by appropriating over \$17,000,000 for fiscal year 2016, the State Defendants provided "sufficient sums" for DHHL's administrative and operating budget for fiscal year 2016. Final judgment was entered on May 25, 2021. DHHL filed a notice of appeal on June 23, 2021, and the Plaintiffs filed a notice of cross-appeal on June 24, 2021. The appeal is currently pending in the Hawaii Intermediate Court of Appeals.

The State is currently unable to predict with reasonable certainty the magnitude of its potential liability, if any, for such claims. Resolution of the Plaintiffs' claims in the Individual Claims Cases, and some of the Plaintiffs' claims in *Nelson*, in the respective Plaintiffs' favor, could have a material adverse effect on the State's financial condition.

***Land Use Commission***

DW Aina Le'a (DW) filed a complaint in State Circuit Court alleging a takings claim in violation of the Hawaii and U.S. Constitutions resulting from the Hawaii Land Use Commission's reversion to agricultural classification of land the Plaintiff had contracted to purchase from a third party for development purposes. The Hawaii Supreme Court ruled in a separate case that the Land Use Commission's reversion was improper. In its complaint, the Plaintiff alleged damages of not less than \$200,000,000 resulting from the taking.

The State removed the case to federal district court and then filed a motion to dismiss based on the statute of limitations. The State successfully argued that Plaintiff's takings claim was time barred, and the district court granted the State's motion to dismiss the case on June 13, 2017. The Plaintiff appealed to the Ninth Circuit on June 20, 2017. Oral arguments were heard in February 2019, and Circuit Court of Appeals thereafter certified a question to the Hawaii Supreme Court, asking "[w]hat the applicable statute of limitations for a claim against the State[...] alleging an unlawful taking of [p]rivate property... for public use without compensation," Haw. Const. art. I, §20. The parties submitted briefing to the Hawaii Supreme Court on this question (the State's answering brief was filed on September 13, 2019).

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The Hawaii Supreme Court set oral argument for April 15, 2020, but in light of the COVID-19 pandemic, subsequently cancelled the oral argument and decided the question without oral argument. The Court's decision was issued on December 17, 2020. It responded to the certified question by holding that "the statute of limitations for a takings claim under the Hawaii Constitution is six years pursuant to HRS §657-1(4)."

Following the Hawaii Supreme Court's decision on the certified question, the Ninth Circuit Court of Appeals, on January 25, 2021, issued a memorandum disposition holding that DW's state and federal takings claims were timely, reversing the District Court's decision, and remanding for further proceedings. Following remand, the District Court reopened the case on January 22, 2021. On April 12, 2021, DW disclosed that it is seeking \$360 million in damages.

On January 7, 2022, the State moved for summary judgment on the grounds that, among other things, DW lacked standing to pursue its takings claims. On February 4, 2022, DW moved for leave to amend its complaint to add a third party, Aina Le'a, Inc., as a plaintiff. On May 25, 2022, the District Court filed its Order Granting defendants' Motion for Summary Judgment and Denying Plaintiff's Motion for Leave to Amend, holding that DW lacked standing and denying DW's motion to amend. On May 25, 2022, judgment was entered in favor of the State and against DW. On June 6, 2022, DW filed a Notice of Appeal to the Ninth Circuit. On July 19, 2023, the Ninth Circuit reversed the District Court's decision on standing and remanded the case for further proceedings. On February 12, 2024, the District Court granted the State's motion for summary judgment, disposing of DW's remaining takings claims against the State. DW filed a Notice of Appeal on February 28, 2024. The State continues to vigorously defend the case before the District Court.

#### ***Hawaii Employer-Union Health Benefits Trust Fund***

In June 2006, certain retired public employees (Plaintiffs) filed a class action lawsuit in the First Circuit Court, State of Hawaii, against the State, all of the counties of the State, the EUTF, and the EUTF's Board of Trustees (collectively, the Defendants). See *Marion Everson, et al. v. State of Hawaii, et al.*, Civil No. 06-1-1141-06, First Circuit Court, State of Hawaii (Civil No. 06-1-1141-06). In relevant part, the Plaintiffs claimed that Defendants violated their constitutional, contractual and statutory rights under Article XVI, Section 2 of the Hawaii Constitution and HRS Chapters 87 and 87A by not providing healthcare benefits to retirees and their dependents that are equivalent to those provided to active employees and their dependents.

Following a related proceeding that commenced in 2007, the Hawaii Supreme Court held that health benefits for retired state and county employees constitute "accrued benefits" pursuant to Article XVI, Section 2 of the Hawaii Constitution, but that HRS Chapter 87A (particularly HRS Section 87A-23) did not require that retiree health benefits reasonably approximate those provided to active employees. See *Everson v. State*, 122 Hawai'i 401, P.3d 282 (2010). The Hawaii Supreme Court did not decide when retiree health benefits "accrued" so as to be protected under Article XVI, Section 2 of the Hawaii Constitution nor did it decide whether the enactment of any part of HRS Chapter 87A violated Article XVI, Section 2 of the Hawaii Constitution.

In December 2010, the Plaintiffs filed a Second Amended Complaint in Civil No. 06-1-1140-06 (nka *James Dannenberg, et al. v. State of Hawaii, et al.*) claiming that Defendants have violated their constitutional, contractual and statutory rights under Article XVI, Section 2 of the Hawaii Constitution and HRS Chapter 87 by failing to provide them and other State and county retirees with: (a) healthcare benefits that are equivalent to those provided to State and county active employees; and/or (b) healthcare benefits that are equivalent to benefits provided to other employee-beneficiaries and dependent-beneficiaries, regardless of age. The Second Amended Complaint also claims that State and county

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employees, who retired prior to July 1, 2001, are contractually entitled to have their employers pay for all their health plan premiums despite the contribution caps in Sections 87A-33 through 87A-36, HRS. The Second Amended Complaint also claims that the EUTF was negligent in failing to properly interpret constitutional, statutory and contractual requirements when it created retiree health plans. Plaintiffs seek declaratory and injunctive relief and monetary damages. The monetary damages sought are: (1) the amount that retirees and their dependents have had to personally pay for healthcare because Defendants refused or failed to provide them with the health benefits that they were constitutionally or contractually entitled to; (2) damages for healthcare that retirees and their dependents have foregone because Defendants refused or failed to provide them with the health benefits that they were constitutionally or contractually entitled to; and (3) damages for pain and suffering. In January 2011, the Defendants filed an answer denying the substantive allegations of the Second Amended Complaint.

On August 29, 2013, the First Circuit Court entered an Order Granting Plaintiffs' Motion for Class Action Certification. The class certified is all employees (and their dependent-beneficiaries) who began working for the Territory of Hawaii, State of Hawaii, or any political subdivision thereof, before July 1, 2003, and who have accrued or will accrue a right to post-retirement health benefits as a retiree or dependent-beneficiary of such a retiree. This includes: (a) those who have not yet received any post-retirement health benefits from Defendants as a retiree or dependent-beneficiary of such a retiree; and (b) those who have received any post-retirement health benefits from Defendants since July 1, 2003 as a retiree or dependent-beneficiary of such a retiree. For purposes of damages only, if any, the class shall also include the estates and heirs of any deceased retiree or deceased dependent-beneficiary of a retiree who is or was a member of the class.

On December 10, 2012, the Plaintiffs filed Plaintiffs' Motion for Partial Summary Judgment seeking judgment in their favor and against Defendants on the liability issues in the lawsuit, i.e., that the Plaintiffs be granted their requested declaratory and injunctive relief, and that Defendants be found liable for monetary damages in an amount to be determined later. On July 25, 2013, State Defendants filed State Defendants' Motion for Partial Summary Judgment seeking judgment in their favor and against the Plaintiffs on all of the Plaintiffs' claims that are based on the allegations that: (1) State Defendants have violated the constitutional, contractual and statutory rights of the Plaintiffs by not providing healthcare benefits for retirees and their dependents that are equivalent to those provided to active employees and their dependents; (2) State Defendants have violated the constitutional and contractual rights of the Plaintiffs by not providing healthcare benefits to retirees and their dependents that are equivalent to those provided to other employee-beneficiaries and dependent-beneficiaries, regardless of age; and (3) State Defendants were negligent in providing health benefits to retirees and their dependents. Both motions were heard by the First Circuit Court on October 30, 2013, and taken under advisement. The circuit court denied Plaintiffs' motion and granted State Defendants' motion for partial summary judgment in October 2014.

On October 16, 2014, the Court issued an Order Denying Plaintiffs' Motion for Partial Summary Judgment and Order Granting State Defendants' Motion for Partial Summary Judgment (Order). The Court ruled that the Plaintiffs' accrued health benefits have not been reduced, diminished or impaired inasmuch as the health benefits that retirees received under the Hawaii Public Employees Health Fund. The Plaintiffs filed a motion for reconsideration of the Order or alternatively for an interlocutory appeal. On November 13, 2014, the Court issued a Minute Order denying the motion. On State Defendants' motion, the case was transferred to the Hawaii Supreme Court. Briefing was completed in October 2015. In October 2016, the Hawaii Supreme Court issued an opinion affirming the circuit court's decision in the State's favor, but also ruled that the State was not entitled to judgment as a matter of law, and remanded the case to the trial court.

**State of Hawaii**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

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The Plaintiffs filed their Third Amended Complaint on December 28, 2017. Since that time, the parties have conducted discovery and have filed several motions, including motions related to the purported class of plaintiffs. The State's motion to decertify the class was granted. On December 3, 2018, the Plaintiffs consequently filed a Motion for Recertification of the Class and for Certification of a Damages Subclass. On February 6, 2019, the Court granted the Plaintiffs' Motion for Recertification and an Order granting the Plaintiffs' Motion for Recertification was filed on June 21, 2019. A trial date was set for November 3, 2021 pertaining to the question of "what is the promise," and was completed on November 30, 2021.

Proposed Findings of Fact and Conclusions of Law were submitted by the parties in January 2022 and the Court issued its Findings of Fact and Conclusions of Law in March 2023.

The trial reconvened in May 2023, and progressed sporadically. The presentation of evidence through witnesses was completed on October 25, 2023. The parties submitted their proposed Findings of Facts and Conclusions of Law during November on a schedule approved by the Court.

The court heard closing arguments from all parties on December 11, 2023, and took the matter under advisement. On January 30, 2024, the court entered a final judgment in favor of all defendants and against the Plaintiffs on all claims. On February 28 2024, the Plaintiffs filed a Notice of Appeal.

Additionally, an action for declaratory relief was filed on August 31, 2022, and a First Amended Complaint was filed on October 3, 2022, by various insurers that have provided a defense for the Dannenberg lawsuit. Insurance coverage counsel has been retained to defend the State Defendants in this action. The insurer-Plaintiffs are seeking a declaration that they have no duty to defend the State Defendants under various insurance policies with respect to the Dannenberg lawsuit. The insurer-Plaintiffs have also requested that the Court find that the insurer-Plaintiffs are entitled to reimbursement of defense costs incurred, the amount of which was not specified but may be in excess of the initial policy of insurance that has been exhausted.

The State is currently unable to predict with reasonable certainty the magnitude of its potential liability, if any, for such claims. Resolution of the Plaintiff's claims in their favor in this case could have a material adverse effect on the State's financial condition.

**13. Risk Management**

The State records a liability for risk financing and insurance related losses if it is determined that a loss has been incurred and the amount can be reasonably estimated. The State retains various risks and insures certain excess layers with commercial insurance companies. The excess layers insured with commercial insurance companies are consistent with the prior fiscal year. Settled claims have not exceeded the coverage provided by commercial insurance companies in any of the past ten fiscal years. A summary of the State's underwriting risks is as follows:

**Property Insurance**

The State has an insurance policy with various insurers for property coverage. The limit of loss per occurrence is \$200,000,000, except for terrorism losses, which has a \$100,000,000 per occurrence limit. There are two different types of deductibles for the property coverage. The deductible for losses such as hurricanes, floods and earthquakes are 3% of the replacement costs to the property subject to a \$1,000,000 per occurrence minimum. The deductible for all other perils such as a fire and terrorism is \$1,000,000.

**State of Hawaii**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

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**Crime Insurance**

The State also has a crime insurance policy for various types of coverages with a limit of loss of \$10,000,000 per occurrence with a \$500,000 deductible per occurrence, except for clients property which has a \$5,000,000 limit per occurrence and a \$500,000 deductible and claims expense coverage, supplemental funds transfer coverage, and social engineering which has a \$100,000 limit per occurrence and a \$500,000 deductible. Losses under the deductible amount are paid by the Risk Management Office of DAGS, and losses not covered by insurance are paid from the State's General Fund.

**Casualty and Professional Liability**

Liability claims up to \$25,000 are handled by the Risk Management Office. All other claims are handled by the Department of the Attorney General. The State has various types of coverages with a \$5,000,000 self-insured retention per occurrence, including double \$2,500,000 corridor. The annual aggregate limit for the various coverages is \$5,000,000. Losses under the deductible amount but over the Risk Management Office authority or over the aggregate limit are paid from legislative appropriations of the State's General Fund.

**Cyber Liability Insurance**

The State is insured for various types of cyber-related activities with a loss limit of \$5,000,000 with a deductible of \$5,000,000 per claim. This policy covers all departments and divisions except for UH and includes (with sub-limits) system failure business interruption, dependent business interruption and system failure, bricking of hardware, consequential reputation loss, and voluntary shutdown. UH has a separate cyber policy with a loss limit of \$5,000,000 and a deductible of \$1,000,000.

**Medical Insurance**

The State's community hospitals included in the HHSC are insured by a comprehensive hospital professional liability policy. The policy provides coverage for professional and general liability claims. This primary policy covers losses up to a limit of \$1,000,000 per claim and \$5,000,000 in annual aggregate. HHSC also purchased additional excess insurance with a \$34,000,000 per claim and aggregate limit.

**Self-Insured Risks**

The State generally self-insures its automobile no-fault and workers' compensation losses. Automobile losses up to \$25,000 per claim are administered by the Risk Management Office. The State administers its workers' compensation losses via the Department of Human Resources Development.

**Reserve for Losses and Loss Adjustment Costs**

A liability for workers' compensation and general liability claims is established if information indicates that a loss has been incurred as of June 30, 2023, and the amount of the loss can be reasonably estimated. The liability also includes an estimate for amounts incurred but not reported. The amount of the estimated loss is recorded in the accompanying statement of net position, as those losses will be liquidated with future expendable resources. The estimated losses are generally paid from legislative appropriations of the State's General Fund.



**State of Hawaii**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

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The following table represents changes in the amount of the estimated losses and the loss adjustment costs for governmental activities at June 30, 2023 and 2022, respectively (amounts expressed in thousands):

	<u>2023</u>	<u>2022</u>
<b>Unpaid losses and loss adjustment costs</b>		
Beginning of the fiscal year	\$ 627,301	\$ 290,563
Incurred losses and loss adjustment costs		
Provision for insured events of current fiscal year	97,670	396,015
Change in provision for insured events of prior fiscal years	(388)	(268)
Total incurred losses and loss adjustment costs	<u>97,282</u>	<u>395,747</u>
Payments		
Losses and loss adjustment costs attributable to insured events of current fiscal year	(8,357)	(7,173)
Losses and loss adjustment costs attributable to insured events of prior fiscal year	(373,992)	(51,836)
Total payments	<u>(382,349)</u>	<u>(59,009)</u>
End of the fiscal year	<u>\$ 342,234</u>	<u>\$ 627,301</u>

**14. Subsequent Events**

On August 8, 2023, a series of wildfires broke out on the island of Maui. The wildfires caused widespread damage in the town of Lahaina. The State has been named as a defendant in cases arising out of the Maui wildfires, including claims for wrongful death, personal injury, emotional distress, and property damage (including a class action for property damage). The allegations against the State include (1) negligent maintenance of grasses and invasive species of plants that allegedly contributed to the spread of the wildfires, and (2) negligent handling of the emergency, including failure to use emergency sirens. The cases are all in the earliest stages, and the State is unable to predict whether additional cases will be filed in the future. The State is currently unable to predict with reasonable certainty the magnitude of its potential liability, if any, for all such claims.

On December 19, 2023, the State issued \$750,000,000 of taxable general obligation bonds of 2023 Series GM. The bonds within Series GM that mature on or after October 1, 2033 are subject to optional redemption with restrictions.



























































**State of Hawaii**  
**Nonmajor Proprietary Funds**  
**Combining Statement of Fund Net Position**  
**June 30, 2023**  
**(Amounts in thousands)**

	Employer- Union Trust Fund	Water Pollution Control Revolving Fund	Drinking Water Treatment Revolving Loan Fund	Total Nonmajor Proprietary Funds
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 36,078	\$ 91,874	\$ 35,044	\$ 162,996
Investments	164,024	-	-	164,024
<b>Receivables</b>				
Accounts and accrued interest	-	410	183	593
Promissory notes receivable	-	45,900	16,103	62,003
Federal government	-	-	319	319
Premiums	61,480	-	-	61,480
Other	2,758	2,756	1,448	6,962
Prepaid expenses and other assets	5,051	-	-	5,051
Total current assets	<u>269,391</u>	<u>140,940</u>	<u>53,097</u>	<u>463,428</u>
Capital assets	20,142	739	2,825	23,706
Less: Accumulated depreciation and amortization	<u>(12,109)</u>	<u>(670)</u>	<u>(2,678)</u>	<u>(15,457)</u>
Net capital assets	8,033	69	147	8,249
Promissory notes receivable	-	469,186	221,795	690,981
Total noncurrent assets	<u>8,033</u>	<u>469,255</u>	<u>221,942</u>	<u>699,230</u>
Total assets	<u>277,424</u>	<u>610,195</u>	<u>275,039</u>	<u>1,162,658</u>
<b>Deferred outflows of resources</b>				
Deferred outflows on net pension liability	968	626	371	1,965
Deferred outflows on net other postemployment benefits liability	636	317	201	1,154
Total deferred outflows of resources	<u>\$ 1,604</u>	<u>\$ 943</u>	<u>\$ 572</u>	<u>\$ 3,119</u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Vouchers and contracts payable	\$ 947	\$ 206	\$ 218	\$ 1,371
Other accrued liabilities	1,215	-	-	1,215
Benefit claims payable	7,309	-	-	7,309
Accrued vacation, current portion	139	108	61	308
Leases payable, current portion	184	-	-	184
Premiums payable	56,983	-	-	56,983
Total current liabilities	<u>66,777</u>	<u>314</u>	<u>279</u>	<u>67,370</u>
<b>Noncurrent liabilities</b>				
Accrued vacation	434	203	125	762
Leases payable	724	-	-	724
Net pension liability	5,959	3,897	2,603	12,459
Net other postemployment benefits liability	6,117	3,098	2,402	11,617
Total noncurrent liabilities	<u>13,234</u>	<u>7,198</u>	<u>5,130</u>	<u>25,562</u>
Total liabilities	<u>80,011</u>	<u>7,512</u>	<u>5,409</u>	<u>92,932</u>
<b>Deferred inflows of resources</b>				
Deferred inflows on net pension liability	693	95	496	1,284
Deferred inflows on net other postemployment benefits liability	1,291	601	406	2,298
Total deferred inflows of resources	<u>1,984</u>	<u>696</u>	<u>902</u>	<u>3,582</u>
<b>Net position</b>				
Net investment in capital assets	7,126	69	147	7,342
Restricted for bond requirements and other	-	602,861	269,153	872,014
Unrestricted	189,907	-	-	189,907
Total net position	<u>\$ 197,033</u>	<u>\$ 602,930</u>	<u>\$ 269,300</u>	<u>\$ 1,069,263</u>

See accompanying independent auditors' report.

**State of Hawaii**  
**Nonmajor Proprietary Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Year Ended June 30, 2023**  
**(Amounts in thousands)**

	<b>Employer- Union Trust Fund</b>	<b>Water Pollution Control Revolving Fund</b>	<b>Drinking Water Treatment Revolving Loan Fund</b>	<b>Total Nonmajor Proprietary Funds</b>
<b>Operating revenues</b>				
Administrative fees	\$ -	\$ 4,014	\$ 2,638	\$ 6,652
Premium revenue – self insurance	105,104	-	-	105,104
Experience refunds, net	(11,577)	-	-	(11,577)
Other	3,534	1,386	746	5,666
Total operating revenues	<u>97,061</u>	<u>5,400</u>	<u>3,384</u>	<u>105,845</u>
<b>Operating expenses</b>				
Personnel services	5,031	2,058	1,166	8,255
Depreciation	1,535	144	180	1,859
Repairs and maintenance	306	-	204	510
General administration	3,372	1,178	809	5,359
Claims	93,509	-	-	93,509
Other	437	1,575	5,123	7,135
Total operating expenses	<u>104,190</u>	<u>4,955</u>	<u>7,482</u>	<u>116,627</u>
Operating income (loss)	<u>(7,129)</u>	<u>445</u>	<u>(4,098)</u>	<u>(10,782)</u>
<b>Nonoperating revenues</b>				
Interest and investment income	6,776	2,250	990	10,016
Other	-	-	15	15
Total nonoperating revenues	<u>6,776</u>	<u>2,250</u>	<u>1,005</u>	<u>10,031</u>
Income (loss) before capital contributions	<u>(353)</u>	<u>2,695</u>	<u>(3,093)</u>	<u>(751)</u>
Capital contributions	-	16,459	24,524	40,983
Change in net position	<u>(353)</u>	<u>19,154</u>	<u>21,431</u>	<u>40,232</u>
<b>Net position</b>				
Beginning of year	<u>197,386</u>	<u>583,776</u>	<u>247,869</u>	<u>1,029,031</u>
End of year	<u>\$ 197,033</u>	<u>\$ 602,930</u>	<u>\$ 269,300</u>	<u>\$ 1,069,263</u>

See accompanying independent auditors' report.

**State of Hawaii**  
**Nonmajor Proprietary Funds**  
**Combining Statement of Cash Flows**  
**Year Ended June 30, 2023**  
**(Amounts in thousands)**

	Employer- Union Trust Fund	Water Pollution Control Revolving Fund	Drinking Water Treatment Revolving Loan Fund	Total Nonmajor Proprietary Funds
<b>Cash flows from operating activities</b>				
Cash received from employers and employees for premiums and benefits	\$ 673,473	\$ -	\$ -	\$ 673,473
Cash paid to suppliers	(4,009)	(412)	(1,288)	(5,709)
Cash paid to employees	(5,319)	(2,670)	(1,536)	(9,525)
Cash paid for premiums and benefits payable	(652,730)	-	-	(652,730)
Net cash provided by (used in) operating activities	<u>11,415</u>	<u>(3,082)</u>	<u>(2,824)</u>	<u>5,509</u>
<b>Cash flows from capital financing activities</b>				
Purchase of equipment	(49)	-	-	(49)
Principal repayments of leases payable	(204)	-	-	(204)
Proceeds from federal, state and capital grants and contributions	-	16,158	24,369	40,527
Net cash provided by (used in) capital financing activities	<u>(253)</u>	<u>16,158</u>	<u>24,369</u>	<u>40,274</u>
<b>Cash flows from investing activities</b>				
Purchase of investments	(3,303)	-	-	(3,303)
Principal repayments on notes receivable	-	44,580	14,921	59,501
Disbursement of notes receivable proceeds	-	(60,147)	(30,103)	(90,250)
Interest income from notes receivable	4,164	1,367	745	6,276
Administrative loan fees	-	3,845	2,622	6,467
Interest received from investments	-	1,673	581	2,254
Net cash provided by (used in) investing activities	<u>861</u>	<u>(8,682)</u>	<u>(11,234)</u>	<u>(19,055)</u>
Net increase in cash and cash equivalents	<u>12,023</u>	<u>4,394</u>	<u>10,311</u>	<u>26,728</u>
<b>Cash and cash equivalents, including restricted amounts</b>				
Beginning of year	24,055	87,480	24,733	136,268
End of year	<u>\$ 36,078</u>	<u>\$ 91,874</u>	<u>\$ 35,044</u>	<u>\$ 162,996</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>				
Operating income (loss)	\$ (7,129)	\$ 445	\$ (4,098)	\$ (10,782)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	1,535	144	180	1,859
Principal forgiveness of loan	-	1,872	4,790	6,662
Interest income from loans	-	(1,386)	(746)	(2,132)
Administrative loan fees	-	(4,014)	(2,638)	(6,652)
Non-imposed fringe benefits	-	26	15	41
Premium reserves held by insurance companies	15,651	-	-	15,651
Change in assets, deferred outflows, liabilities, and deferred inflows				
Receivables	(10,244)	9	(31)	(10,266)
Prepaid and other expenses	35	-	-	35
Net deferred outflows/inflows of resources	(402)	(195)	(130)	(727)
Vouchers and contracts payable	(367)	(35)	(250)	(652)
Net pension liability	652	314	239	1,205
Other postemployment benefits liability	(506)	(262)	(155)	(923)
Other accrued liabilities	10,795	-	-	10,795
Benefit claims payable	1,395	-	-	1,395
Net cash provided by (used in) operating activities	<u>\$ 11,415</u>	<u>\$ (3,082)</u>	<u>\$ (2,824)</u>	<u>\$ 5,509</u>

See accompanying independent auditors' report.

**State of Hawaii**  
**Custodial Funds**  
**Combining Statement of Fiduciary Net Position**  
**June 30, 2023**  
**(Amounts in thousands)**

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	<u>Tax Collections</u>	<u>Custodial and Clearance</u>	<u>Other</u>	<u>Total Custodial Funds</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 2,359	\$ 396,630	\$ -	\$ 398,989
Receivables – taxes	-	-	10,120	10,120
Receivables – other	-	-	3,993	3,993
Investments	17,196	22,447	1,628	41,271
Total assets	<u>\$ 19,555</u>	<u>\$ 419,077</u>	<u>\$ 15,741</u>	<u>\$ 454,373</u>
<b>Liabilities</b>				
Vouchers payable	\$ 32,411	\$ 329,553	\$ 1,904	\$ 363,868
Due to other funds	-	29,835.00	4,528	34,363
Total liabilities	<u>32,411</u>	<u>359,388</u>	<u>6,432</u>	<u>398,231</u>
<b>Net position – restricted</b>	<u>\$ (12,856)</u>	<u>\$ 59,689</u>	<u>\$ 9,309</u>	<u>\$ 56,142</u>

See accompanying independent auditors' report.

**State of Hawaii**  
**Custodial Funds**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Year Ended June 30, 2023**  
(Amounts in thousands)

	<u>Tax Collections</u>	<u>Custodial and Clearance</u>	<u>Other</u>	<u>Total Custodial Funds</u>
<b>Additions</b>				
Tax collections	\$ 603,563	\$ -	\$ -	\$ 603,563
Custodial collections	-	553,563	-	553,563
Other collections	-	-	13,442	13,442
Total additions	<u>603,563</u>	<u>553,563</u>	<u>13,442</u>	<u>1,170,568</u>
<b>Deductions</b>				
Tax disbursements	615,872	-	-	615,872
Custodial disbursements	-	604,750	-	604,750
Other disbursements	-	-	870,070	870,070
Total deductions	<u>615,872</u>	<u>604,750</u>	<u>870,070</u>	<u>2,090,692</u>
Change in net position	<u>(12,309)</u>	<u>(51,187)</u>	<u>(856,628)</u>	<u>(920,124)</u>
<b>Net position</b>				
Beginning of year	<u>(547)</u>	<u>110,876</u>	<u>865,937</u>	<u>976,266</u>
End of year	<u>\$ (12,856)</u>	<u>\$ 59,689</u>	<u>\$ 9,309</u>	<u>\$ 56,142</u>

See accompanying independent auditors' report.



**PART III: STATISTICAL SECTION  
(UNAUDITED)**

**State of Hawaii**  
**Statistical Section (Unaudited)**  
**June 30, 2023**

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This Part of the State’s annual comprehensive financial report presents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information on the State’s overall financial health.

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends Information:</b> These schedules contain trend information to help the reader understand how the State’s financial performance and well-being have changed over time.	156–165
<b>Revenue Capacity Information:</b> These schedules contain information to help the reader assess the State’s most significant local revenue sources, the general excise tax and net income tax.	166–173
<b>Debt Capacity Information:</b> These schedules present information to help the reader assess the affordability of the State’s current levels of outstanding debt and the State’s ability to issue additional debt in the future.	174–180
<b>Demographic and Economic Information:</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the State’s financial activities take place.	181–183
<b>Operating Information:</b> These schedules contain service and infrastructure data to help the reader understand how the information in the State’s financial report relates to the services provided and the activities performed by the State.	184–189

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.*

**State of Hawaii**  
**Financial Trends Information**  
**Net Position by Component (Accrual Basis of Accounting) (Unaudited)**  
**Ten Years Ended June 30, 2023**  
**(Amounts in thousands)**

	Fiscal Year Ended June 30,				
	2023	2022	2021	2020	2019
<b>Governmental activities</b>					
Net investment in capital assets	\$ 1,298,234	\$ 1,012,903	\$ 1,147,118	\$ 2,478,200	\$ 2,459,159
Restricted	3,129,087	2,373,911	2,755,923	2,345,000	2,089,246
Unrestricted	<u>(8,475,706)</u>	<u>(10,615,961)</u>	<u>(12,136,654)</u>	<u>(12,518,653)</u>	<u>(11,830,687)</u>
Total governmental activities net position	<u>\$ (4,048,385)</u>	<u>\$ (7,229,147)</u>	<u>\$ (8,233,613)</u>	<u>\$ (7,695,453)</u>	<u>\$ (7,282,282)</u>
<b>Business-type activities</b>					
Net investment in capital assets	\$ 2,601,058	\$ 2,568,292	\$ 2,637,031	\$ 2,629,344	\$ 2,459,973
Restricted	1,949,115	1,814,854	1,721,912	1,639,488	1,580,020
Unrestricted	<u>1,072,573</u>	<u>685,673</u>	<u>(381,773)</u>	<u>251,266</u>	<u>1,018,193</u>
Total business-type activities net position	<u>\$ 5,622,746</u>	<u>\$ 5,068,819</u>	<u>\$ 3,977,170</u>	<u>\$ 4,520,098</u>	<u>\$ 5,058,186</u>
<b>Primary government</b>					
Net investment in capital assets	\$ 3,899,292	\$ 3,581,195	\$ 3,784,149	\$ 5,107,544	\$ 4,919,132
Restricted	5,078,202	4,188,765	4,477,835	3,984,488	3,669,266
Unrestricted	<u>(7,403,133)</u>	<u>(9,930,288)</u>	<u>(12,518,427)</u>	<u>(12,267,387)</u>	<u>(10,812,494)</u>
Total primary government net position	<u>\$ 1,574,361</u>	<u>\$ (2,160,328)</u>	<u>\$ (4,256,443)</u>	<u>\$ (3,175,355)</u>	<u>\$ (2,224,096)</u>

**Notes:** Amounts prior to fiscal 2014 have not been restated for GASB Statement No. 65.

Amounts prior to fiscal 2015 have not been restated for GASB Statements No. 68 and No. 71.

Amounts prior to fiscal 2017 have not been restated for GASB Statement No. 82.

Amounts prior to fiscal 2018 have not been restated for GASB Statement No. 75.

Amounts prior to fiscal 2021 have not been restated for GASB Statement No. 84.

Amounts for fiscal 2021 have not been restated for fiscal 2022 restatement.

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<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$ 2,661,730	\$ 2,787,289	\$ 2,727,055	\$ 2,826,649	\$ 2,772,220
2,028,259	1,799,903	1,591,701	1,445,824	1,128,678
<u>(11,381,725)</u>	<u>(7,996,567)</u>	<u>(7,190,837)</u>	<u>(7,379,890)</u>	<u>(3,096,065)</u>
<u>\$ (6,691,736)</u>	<u>\$ (3,409,375)</u>	<u>\$ (2,872,081)</u>	<u>\$ (3,107,417)</u>	<u>\$ 804,833</u>
\$ 2,183,188	\$ 2,022,844	\$ 1,871,554	\$ 1,773,613	\$ 1,653,902
1,444,009	1,309,392	1,305,799	1,227,441	1,160,551
<u>1,075,059</u>	<u>1,141,536</u>	<u>1,058,108</u>	<u>995,207</u>	<u>1,050,981</u>
<u>\$ 4,702,256</u>	<u>\$ 4,473,772</u>	<u>\$ 4,235,461</u>	<u>\$ 3,996,261</u>	<u>\$ 3,865,434</u>
\$ 4,844,918	\$ 4,810,133	\$ 4,598,609	\$ 4,600,262	\$ 4,426,122
3,472,268	3,109,295	2,897,500	2,673,265	2,289,229
<u>(10,306,666)</u>	<u>(6,855,031)</u>	<u>(6,132,729)</u>	<u>(6,384,683)</u>	<u>(2,045,084)</u>
<u>\$ (1,989,480)</u>	<u>\$ 1,064,397</u>	<u>\$ 1,363,380</u>	<u>\$ 888,844</u>	<u>\$ 4,670,267</u>

**State of Hawaii**  
**Financial Trends Information**  
**Changes in Net Position (Accrual Basis of Accounting) (Unaudited)**  
**Ten Years Ended June 30, 2023**  
**(Amounts in thousands)**

	Fiscal Year Ended June 30,				
	2023	2022	2021	2020	2019
<b>Expenses</b>					
<b>Governmental activities</b>					
General government	\$ 1,304,460	\$ 2,309,934	\$ 1,867,701	\$ 1,129,769	\$ 1,054,935
Public safety	685,370	740,183	772,470	642,353	675,663
Highways	574,921	565,191	531,130	531,105	552,741
Conservation of natural resources	290,192	118,553	115,658	109,093	224,266
Health	953,881	1,103,928	891,325	1,138,450	1,019,160
Welfare	4,976,910	4,882,816	4,579,544	3,678,820	3,379,304
Lower education	3,572,983	3,389,834	3,299,413	3,595,747	3,527,097
Higher education	1,097,173	919,350	984,734	1,050,582	950,253
Other education	18,358	16,933	20,593	16,936	18,376
Culture and recreation	143,857	117,785	374,727	155,261	110,711
Urban redevelopment and housing	164,714	201,311	449,870	246,495	179,794
Economic development and assistance	114,320	265,549	403,426	4,868	174,629
Interest expense	251,309	219,989	257,218	244,994	251,294
Total governmental activities expenses	<u>14,148,448</u>	<u>14,851,356</u>	<u>14,547,809</u>	<u>12,544,473</u>	<u>12,118,223</u>
<b>Business-type activities</b>					
Airports	649,344	616,382	600,867	559,374	469,321
Harbors	103,772	107,980	107,371	98,998	85,007
Unemployment compensation	171,537	608,094	4,005,272	2,147,598	165,134
Nonmajor proprietary funds	116,627	120,826	98,462	108,798	103,954
Total business-type activities expenses	<u>1,041,280</u>	<u>1,453,282</u>	<u>4,811,972</u>	<u>2,914,768</u>	<u>823,416</u>
Total primary government expenses	<u>\$ 15,189,728</u>	<u>\$ 16,304,638</u>	<u>\$ 19,359,781</u>	<u>\$ 15,459,241</u>	<u>\$ 12,941,639</u>
<b>Program revenues</b>					
<b>Governmental activities</b>					
<b>Charges for services</b>					
General government	\$ 310,304	\$ 237,404	\$ 229,268	\$ 292,428	\$ 302,275
Health	119,847	142,621	140,442	130,082	138,013
Other	515,676	436,310	334,200	375,479	393,958
Operating grants and contributions	5,242,283	6,121,649	5,030,769	3,597,822	3,082,678
Capital grants and contributions	-	-	-	-	-
Total governmental activities program revenues	<u>6,188,110</u>	<u>6,937,984</u>	<u>5,734,679</u>	<u>4,395,811</u>	<u>3,916,924</u>
<b>Business-type activities</b>					
<b>Charges for services</b>					
Airports	604,719	539,502	328,629	475,064	562,436
Unemployment compensation	416,064	243,660	239,096	1,391,747	193,093
Others	321,007	325,324	323,230	329,283	296,920
Operating grants and contributions	75,471	1,387,833	3,206,169	-	-
Capital grants and contributions	116,033	45,611	83,411	95,720	78,010
Total business-type activities program revenues	<u>1,533,294</u>	<u>2,541,930</u>	<u>4,180,535</u>	<u>2,291,814</u>	<u>1,130,459</u>
Total primary government program revenues	<u>\$ 7,721,404</u>	<u>\$ 9,479,914</u>	<u>\$ 9,915,214</u>	<u>\$ 6,687,625</u>	<u>\$ 5,047,383</u>
<b>Net revenue (expense)</b>					
Governmental activities	\$ (7,960,338)	\$ (7,913,372)	\$ (8,813,130)	\$ (8,148,662)	\$ (8,201,299)
Business-type activities	492,014	1,088,648	(631,437)	(622,954)	307,043
Total primary government net expenses	<u>\$ (7,468,324)</u>	<u>\$ (6,824,724)</u>	<u>\$ (9,444,567)</u>	<u>\$ (8,771,616)</u>	<u>\$ (7,894,256)</u>

**Notes:** Amounts prior to fiscal 2014 have not been restated for GASB Statement No. 65.  
Amounts prior to fiscal 2015 have not been restated for GASB Statements No. 68 and No. 71.  
Amounts prior to fiscal 2017 have not been restated for GASB Statement No. 82.  
Amounts prior to fiscal 2018 have not been restated for GASB Statement No. 75.  
Amounts prior to fiscal 2022 have not been restated for GASB Statement No. 87.  
Amounts prior to fiscal 2023 have not been restated for GASB Statement No. 96.

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$	920,547	\$ 631,052	\$ 688,394	\$ 595,278	\$ 567,941
	639,888	552,671	485,985	504,343	533,727
	614,847	457,374	399,997	426,142	554,039
	118,637	161,924	107,740	89,176	101,587
	874,898	889,216	878,610	871,563	849,493
	3,542,771	3,481,679	3,343,392	3,196,602	2,879,813
	3,404,645	3,157,517	2,840,782	2,729,789	2,685,037
	950,843	899,199	673,217	761,837	693,292
	23,827	27,248	23,379	21,664	21,766
	89,647	106,875	106,511	84,265	104,303
	392,921	245,819	122,981	115,653	137,160
	170,200	161,077	163,935	179,485	166,455
	311,340	212,042	210,204	247,059	239,760
	<u>12,055,011</u>	<u>10,983,693</u>	<u>10,045,127</u>	<u>9,822,856</u>	<u>9,534,373</u>
	429,884	408,517	377,393	350,041	346,699
	92,978	101,180	93,088	87,031	89,327
	177,009	173,735	144,481	186,893	244,947
	96,548	110,907	112,323	112,209	87,031
	<u>796,419</u>	<u>794,339</u>	<u>727,285</u>	<u>736,174</u>	<u>768,004</u>
	<u>\$ 12,851,430</u>	<u>\$ 11,778,032</u>	<u>\$ 10,772,412</u>	<u>\$ 10,559,030</u>	<u>\$ 10,302,377</u>
\$	319,043	\$ 289,116	\$ 209,598	\$ 248,915	\$ 223,066
	126,046	143,363	136,429	136,547	130,338
	479,847	357,034	371,823	314,099	287,937
	3,154,479	3,068,752	2,986,842	2,809,460	2,660,770
	-	-	113,006	139,977	97,290
	<u>4,079,415</u>	<u>3,858,265</u>	<u>3,817,698</u>	<u>3,648,998</u>	<u>3,399,401</u>
	587,602	511,018	459,269	434,489	404,442
	186,239	176,212	187,215	239,375	353,546
	283,586	269,694	218,552	238,852	203,979
	-	-	-	-	-
	37,956	51,091	80,173	72,140	98,628
	<u>1,095,383</u>	<u>1,008,015</u>	<u>945,209</u>	<u>984,856</u>	<u>1,060,595</u>
	<u>\$ 5,174,798</u>	<u>\$ 4,866,280</u>	<u>\$ 4,762,907</u>	<u>\$ 4,633,854</u>	<u>\$ 4,459,996</u>
\$	(7,975,596)	\$ (7,125,428)	\$ (6,227,429)	\$ (6,173,858)	\$ (6,134,972)
	298,964	213,676	217,924	248,682	292,591
	<u>\$ (7,676,632)</u>	<u>\$ (6,911,752)</u>	<u>\$ (6,009,505)</u>	<u>\$ (5,925,176)</u>	<u>\$ (5,842,381)</u>

(continued)

**State of Hawaii**  
**Financial Trends Information**  
**Changes in Net Position (Accrual Basis of Accounting) (Unaudited)**  
**Ten Years Ended June 30, 2023**  
**(Amounts in thousands)**

	Fiscal Year Ended June 30,				
	2023	2022	2021	2020	2019
<b>General revenues and other changes in net position</b>					
Governmental activities					
Taxes					
General excise tax	\$ 4,772,516	\$ 3,890,136	\$ 3,438,088	\$ 3,667,538	\$ 3,794,587
Net income tax – corporations and individuals	3,627,205	3,784,904	3,254,330	2,661,618	2,728,991
Public service companies tax	142,195	122,068	125,201	134,639	126,691
Transient accommodations tax	843,929	659,646	195,410	304,012	356,670
Tobacco and liquor tax	132,051	140,263	141,522	150,065	151,438
Liquid fuel tax	79,272	78,674	69,351	79,187	85,146
Tax on premiums of insurance companies	207,073	198,479	188,229	183,563	176,420
Vehicle weight and registration tax	139,514	138,579	143,242	125,119	136,142
Rental motor/tour vehicle surcharge tax	101,450	79,575	32,206	72,502	57,994
Franchise tax	30,969	59,252	5,079	35,271	26,808
Other tax	1,003,338	307,865	106,457	157,623	156,632
Interest and investment income	193,071	54,743	30,759	164,354	40,141
Net decrease in fair value of investments	(131,483)	(298,277)	-	-	-
Other	-	(7,811)	-	-	(2,797)
Assumption agreement with State, net	-	-	-	-	-
Debt cancellation with State	-	-	-	-	(224,110)
Total governmental activities	<u>11,141,100</u>	<u>9,208,096</u>	<u>7,729,874</u>	<u>7,735,491</u>	<u>7,610,753</u>
Business-type activities					
Interest and investment income	61,913	7,550	88,509	84,866	48,887
Other	-	(4,549)	-	-	-
Total business-type activities	<u>61,913</u>	<u>3,001</u>	<u>88,509</u>	<u>84,866</u>	<u>48,887</u>
Total primary government	<u>\$ 11,203,013</u>	<u>\$ 9,211,097</u>	<u>\$ 7,818,383</u>	<u>\$ 7,820,357</u>	<u>\$ 7,659,640</u>
<b>Changes in net position</b>					
Governmental activities	\$ 3,180,762	\$ 1,294,724	\$ (1,083,256)	\$ (413,171)	\$ (590,546)
Business-type activities	553,927	1,091,649	(542,928)	(538,088)	355,930
Total primary government	<u>\$ 3,734,689</u>	<u>\$ 2,386,373</u>	<u>\$ (1,626,184)</u>	<u>\$ (951,259)</u>	<u>\$ (234,616)</u>

**Notes:** Amounts prior to fiscal 2014 have not been restated for GASB Statement No. 65.

Amounts prior to fiscal 2015 have not been restated for GASB Statements No. 68 and No. 71.

Amounts prior to fiscal 2017 have not been restated for GASB Statement No. 82.

Amounts prior to fiscal 2018 have not been restated for GASB Statement No. 75.

Amounts prior to fiscal 2022 have not been restated for GASB Statement No. 87.

Amounts prior to fiscal 2023 have not been restated for GASB Statement No. 96.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 3,553,975	\$ 3,189,599	\$ 3,192,469	\$ 3,021,418	\$ 2,816,346
2,407,338	2,330,408	2,160,872	2,073,015	1,840,890
117,641	122,159	152,760	163,481	166,179
304,521	299,712	233,082	202,345	188,721
157,988	160,906	161,239	165,137	155,990
85,211	84,933	89,702	88,449	88,707
162,318	166,836	154,690	147,767	139,074
135,080	132,974	130,051	125,113	124,686
54,846	53,189	54,873	51,941	42,853
15,712	11,174	14,691	19,930	38,983
145,861	103,204	109,072	76,222	96,131
36,527	30,676	22,564	16,024	13,163
-	-	-	-	-
4,538	-	(13,300)	-	-
(250,697)	-	-	-	-
-	-	-	-	-
<u>6,930,859</u>	<u>6,685,770</u>	<u>6,462,765</u>	<u>6,150,842</u>	<u>5,711,723</u>
27,352	25,324	21,276	17,567	12,805
-	-	-	-	-
<u>27,352</u>	<u>25,324</u>	<u>21,276</u>	<u>17,567</u>	<u>12,805</u>
<u>\$ 6,958,211</u>	<u>\$ 6,711,094</u>	<u>\$ 6,484,041</u>	<u>\$ 6,168,409</u>	<u>\$ 5,724,528</u>
\$ (1,044,737)	\$ (439,658)	\$ 235,336	\$ (23,016)	\$ (423,249)
326,316	239,000	239,200	266,249	305,396
<u>\$ (718,421)</u>	<u>\$ (200,658)</u>	<u>\$ 474,536</u>	<u>\$ 243,233</u>	<u>\$ (117,853)</u>

(concluded)



**State of Hawaii**  
**Financial Trends Information**  
**Fund Balances – Governmental Funds (Modified Accrual Basis of Accounting) (Unaudited)**  
**Ten Years Ended June 30, 2023**  
**(Amounts in thousands)**

	Fiscal Year Ended June 30,				
	2023	2022	2021	2020	2019
<b>General Fund</b>					
Assigned	\$ 940,472	\$ 407,353	\$ 390,666	\$ 479,071	\$ 475,242
Unassigned	3,618,495	2,732,304	1,169,873	789,518	1,147,073
Total General Fund	<u>\$ 4,558,967</u>	<u>\$ 3,139,657</u>	<u>\$ 1,560,539</u>	<u>\$ 1,268,589</u>	<u>\$ 1,622,315</u>
<b>All other governmental funds</b>					
Restricted	\$ 254	\$ 272	\$ 247	\$ 16,018	\$ 22,006
Committed	101,697	89,889	667,104	1,041,570	823,958
Assigned	3,125,868	2,284,971	2,092,883	1,316,396	1,267,999
Unassigned	(564,372)	(396,277)	(183,242)	(362,148)	(210,972)
Total all other governmental funds	<u>\$ 2,663,447</u>	<u>\$ 1,978,855</u>	<u>\$ 2,576,992</u>	<u>\$ 2,011,836</u>	<u>\$ 1,902,991</u>

**Note:** Amounts for fiscal 2021 have not been restated for fiscal 2022 restatement.

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<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 503,201	\$ 400,529	\$ 394,581	\$ 205,242	\$ 256,483
<u>974,719</u>	<u>1,305,542</u>	<u>1,400,783</u>	<u>1,384,053</u>	<u>1,079,180</u>
<u>\$ 1,477,920</u>	<u>\$ 1,706,071</u>	<u>\$ 1,795,364</u>	<u>\$ 1,589,295</u>	<u>\$ 1,335,663</u>
\$ 25,653	\$ 110,750	\$ 15,557	\$ 25,370	\$ 27,145
805,502	688,980	401,313	449,290	497,932
1,226,984	1,117,520	1,199,080	1,009,503	739,279
<u>(68,660)</u>	<u>(116,880)</u>	<u>(340,671)</u>	<u>(576,980)</u>	<u>(588,405)</u>
<u>\$ 1,989,479</u>	<u>\$ 1,800,370</u>	<u>\$ 1,275,279</u>	<u>\$ 907,183</u>	<u>\$ 675,951</u>

**State of Hawaii**  
**Financial Trends Information**  
**Changes in Fund Balances – Governmental Funds (Unaudited)**  
**(Modified Accrual Basis of Accounting)**  
**Ten Years Ended June 30, 2023**  
**(Amounts in thousands)**

	Fiscal Year Ended June 30,				
	2023	2022	2021	2020	2019
<b>Revenues</b>					
Taxes					
General excise tax	\$ 4,748,420	\$ 3,893,006	\$ 3,437,755	\$ 3,632,630	\$ 3,794,585
Net income tax – corporations and individuals	3,631,310	3,758,447	3,233,174	2,657,551	2,718,654
Public service companies tax	142,195	122,068	125,201	134,639	126,691
Transient accommodations tax	842,229	661,330	194,095	303,176	356,670
Tobacco and liquor tax	132,051	140,262	141,522	150,065	151,438
Liquid fuel tax	79,272	78,674	69,351	79,187	85,146
Tax on premiums of insurance companies	207,074	198,478	188,229	183,563	176,420
Vehicle weight and registration tax	139,514	138,579	143,242	125,119	136,142
Rental motor/tour vehicle surcharge tax	101,450	79,574	32,206	72,502	57,994
Franchise tax	30,969	59,252	5,079	35,271	26,808
Other	1,003,314	307,868	106,457	157,591	156,632
Total taxes	<u>11,057,798</u>	<u>9,437,538</u>	<u>7,676,311</u>	<u>7,531,294</u>	<u>7,787,180</u>
Interest and investment income	193,071	54,739	30,759	164,354	40,141
Net decrease in fair value of investments	(131,483)	(298,277)	-	-	-
Charges for current services	480,195	487,273	401,403	495,009	518,531
Intergovernmental	4,807,463	5,801,691	4,741,176	3,333,396	2,783,538
Rentals	42,737	40,153	31,316	35,035	38,031
Fines, forfeitures and penalties	32,078	28,882	32,081	28,579	37,513
Licenses and fees	49,507	50,668	42,577	45,763	47,965
Revenues from private sources	145,992	127,760	138,520	128,401	122,017
Other	630,964	414,994	356,653	329,624	369,425
Total revenues	<u>17,308,322</u>	<u>16,145,421</u>	<u>13,450,796</u>	<u>12,091,455</u>	<u>11,744,341</u>
<b>Expenditures</b>					
Current					
General government	1,696,558	2,023,088	1,708,337	1,137,274	1,007,554
Public safety	726,842	744,838	746,822	612,091	634,120
Highways	599,886	561,216	448,647	500,212	526,148
Conservation of natural resources	166,058	134,505	137,459	167,383	145,383
Health	1,000,432	1,090,851	1,040,285	1,096,444	1,009,545
Welfare	5,006,768	4,869,981	4,599,447	3,653,210	3,332,469
Lower education	4,071,444	3,507,290	3,451,175	3,351,308	3,334,110
Higher education	1,097,173	919,351	984,734	1,050,582	950,253
Other education	18,358	16,933	20,593	16,936	18,376
Culture and recreation	140,764	116,598	377,419	143,739	116,381
Urban redevelopment and housing	83,168	98,161	89,826	78,061	79,236
Economic development and assistance	219,376	267,845	238,956	166,387	152,592
Housing	95,028	113,095	355,350	153,411	85,032
Other	13,575	99,661	20,144	13,293	13,691
Debt service					
Principal	699,248	699,248	522,640	564,222	464,518
Interest and others	408,606	323,719	330,893	332,279	390,856
Total expenditures	<u>16,043,284</u>	<u>15,586,380</u>	<u>15,072,727</u>	<u>13,036,832</u>	<u>12,260,264</u>
Excess (deficiency) of expenditures over revenues	<u>1,265,038</u>	<u>559,041</u>	<u>(1,621,931)</u>	<u>(945,377)</u>	<u>(515,923)</u>
<b>Other financing sources (uses)</b>					
Proceeds from borrowing and refunding	808,194	1,912,154	2,333,941	700,496	644,962
Payments to escrow agent	-	(1,210,136)	(400,000)	-	(69,730)
Issuance of leases (1)	13,561	10,180	-	-	-
Issuance of subscription assets (2)	17,147	-	-	-	-
Transfers in	2,418,125	1,760,858	2,632,432	1,324,903	1,214,773
Transfers out	(2,418,125)	(1,760,858)	(2,632,432)	(1,324,903)	(1,214,773)
Other	(38)	-	-	-	(1,402)
Total other financing sources	<u>838,864</u>	<u>712,198</u>	<u>1,933,941</u>	<u>700,496</u>	<u>573,830</u>
Net change in fund balances	<u>\$ 2,103,902</u>	<u>\$ 1,271,239</u>	<u>\$ 312,010</u>	<u>\$ (244,881)</u>	<u>\$ 57,907</u>
Total debt service as a percent of noncapital expenditures (3)	<u>7.6 %</u>	<u>7.2 %</u>	<u>6.1 %</u>	<u>7.7 %</u>	<u>7.5 %</u>

- (1) Amounts prior to fiscal 2022 have not been restated for GASB Statement No. 87.
- (2) Amounts prior to fiscal 2023 have not been restated for GASB Statement No. 96.
- (3) Total debt service as a percent of noncapital expenditures is computed by debt service principal plus debt service interest and others divided by total expenditures less capital outlay.

2018	2017	2016	2015	2014
\$ 3,553,975	\$ 3,189,599	\$ 3,192,469	\$ 3,021,418	\$ 2,816,346
2,456,674	2,286,017	2,157,879	2,047,327	1,840,963
117,641	122,159	152,760	163,481	166,179
304,521	299,712	233,082	202,345	188,721
157,988	160,906	161,239	165,137	155,990
85,211	84,933	89,702	88,449	88,707
162,318	166,836	154,690	147,767	139,074
135,080	132,974	130,051	125,113	124,686
54,846	53,189	54,873	51,941	42,853
15,712	11,174	14,691	19,930	38,983
145,861	103,204	109,072	76,222	96,131
<u>7,189,827</u>	<u>6,610,703</u>	<u>6,450,508</u>	<u>6,109,130</u>	<u>5,698,633</u>
36,527	30,676	22,564	16,024	13,163
-	-	-	-	-
477,717	460,211	431,181	384,380	363,791
2,878,717	2,938,557	2,995,768	2,803,989	2,650,876
35,466	35,530	32,371	31,127	31,846
38,767	39,203	35,738	37,201	33,087
47,066	46,893	45,738	42,463	47,209
184,661	105,857	126,450	121,366	112,916
428,066	248,389	169,533	191,472	173,483
<u>11,316,814</u>	<u>10,516,019</u>	<u>10,309,851</u>	<u>9,737,152</u>	<u>9,125,004</u>
807,032	701,083	673,236	573,820	543,129
579,980	531,545	479,047	484,960	519,954
609,538	461,523	389,744	455,563	403,559
157,639	180,697	181,563	145,516	108,703
827,592	873,703	876,820	855,797	828,088
3,495,974	3,442,279	3,349,414	3,192,807	2,945,370
3,226,275	2,973,583	2,828,013	2,619,156	2,603,774
950,843	899,199	673,217	761,837	693,292
23,827	27,248	23,379	21,664	21,766
104,964	104,655	101,351	96,676	107,846
124,292	63,807	54,446	71,384	65,228
167,614	179,127	159,483	176,919	158,379
256,386	133,010	58,381	48,565	63,683
12,388	10,613	20,193	15,179	29,818
464,518	484,274	444,791	444,791	458,983
321,150	296,482	315,321	289,524	278,315
<u>12,130,012</u>	<u>11,362,828</u>	<u>10,628,399</u>	<u>10,254,158</u>	<u>9,829,887</u>
<u>(813,198)</u>	<u>(846,809)</u>	<u>(318,548)</u>	<u>(517,006)</u>	<u>(704,883)</u>
1,200,004	2,161,677	1,835,677	1,518,709	948,190
(424,887)	(879,070)	(989,950)	(516,839)	(185,560)
-	-	-	-	-
-	-	-	-	-
1,291,815	1,444,931	1,276,279	1,171,272	1,066,780
(1,291,815)	(1,444,931)	(1,276,279)	(1,171,272)	(1,066,780)
(961)	-	46,986	-	18,835
774,156	1,282,607	892,713	1,001,870	781,465
<u>\$ (39,042)</u>	<u>\$ 435,798</u>	<u>\$ 574,165</u>	<u>\$ 484,864</u>	<u>\$ 76,582</u>
<u>7.0 %</u>	<u>7.3 %</u>	<u>7.6 %</u>	<u>7.7 %</u>	<u>7.9 %</u>

**State of Hawaii**  
**Revenue Capacity Information**  
**Personal Income by Industry (Unaudited)**  
**Ten Years Ended June 30, 2023**  
**(Amounts in millions)**

	Fiscal Year Ended June 30,				
	2023	2022	2021	2020	2019
<b>Farm earnings</b>	\$ 279	\$ 208	\$ 286	\$ 249	\$ 271
<b>Nonfarm wage and salary worker</b>					
Goods-producing industries					
Forestry, fishing-related activities, and other	86	N/A	94	90	97
Mining	39	31	27	32	31
Construction	4,753	4,686	4,786	4,531	4,538
Manufacturing – durable and nondurable goods	1,041	653	976	948	975
Subtotal goods-producing industries	<u>5,919</u>	<u>5,370</u>	<u>5,883</u>	<u>5,601</u>	<u>5,641</u>
Service-producing industries					
Transportation, communication and utilities	3,671	3,376	2,965	4,802	3,064
Trade	5,130	4,981	4,784	3,170	4,841
Information	1,025	1,064	865	830	893
Finance, insurance and real estate	4,515	4,094	4,216	3,714	3,626
Service	25,387	23,493	20,480	21,500	21,964
State and local government	7,592	7,638	7,601	7,313	7,235
Federal government	9,719	9,400	8,746	9,219	8,990
Subtotal service-producing industries	<u>57,039</u>	<u>54,046</u>	<u>49,657</u>	<u>50,548</u>	<u>50,613</u>
Total nonfarm wage and salary worker	<u>62,958</u>	<u>59,416</u>	<u>55,540</u>	<u>56,149</u>	<u>56,254</u>
<b>Other (1)</b>	<u>28,211</u>	<u>26,387</u>	<u>29,613</u>	<u>27,963</u>	<u>23,638</u>
Total personal income	<u>\$ 91,448</u>	<u>\$ 86,011</u>	<u>\$ 85,439</u>	<u>\$ 84,361</u>	<u>\$ 80,163</u>
Total direct income tax rate (2)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

N/A Not Available

- (1) Includes dividends, interest, rental income, residence adjustment, government transfers to individuals, and deductions for social insurance.
- (2) The total direct rate for personal income is not available.

**Source:** State of Hawaii Department of Business, Economic Development and Tourism – Data Book and Quarterly Statistical and Economic Report (QSER).  
Bureau of Economic Analysis – SQ5N Personal Income by major source and earnings by major NAICS industry.

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<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$ 284	\$ 274	\$ 284	\$ 318	\$ 349
94	87	76	76	66
35	35	39	41	37
4,372	4,391	4,038	3,542	3,328
959	921	918	878	833
<u>5,460</u>	<u>5,434</u>	<u>5,071</u>	<u>4,537</u>	<u>4,264</u>
2,965	2,714	2,639	2,424	2,316
4,659	4,574	4,419	4,130	4,089
766	711	742	718	711
3,373	3,192	3,051	3,110	3,267
21,051	19,595	19,087	17,608	17,126
6,907	6,970	6,949	6,426	6,089
8,505	8,491	8,614	8,400	8,139
<u>48,226</u>	<u>46,247</u>	<u>45,501</u>	<u>42,816</u>	<u>41,737</u>
<u>53,686</u>	<u>51,681</u>	<u>50,572</u>	<u>47,353</u>	<u>46,001</u>
<u>22,506</u>	<u>21,042</u>	<u>19,814</u>	<u>19,092</u>	<u>18,270</u>
\$ 76,476	\$ 72,997	\$ 70,670	\$ 66,763	\$ 64,620
<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

**State of Hawaii**  
**Revenue Capacity Information**  
**Personal Income Tax Rates (Unaudited)**  
**Ten Years Ended December 31, 2023**

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**Top Income Tax Rate is Applied to Taxable Income in Excess of**

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<b>Year</b>	<b>Top Rate</b>	<b>Single</b>	<b>Top Rate</b>	<b>Married Filing Jointly</b>	<b>Top Rate</b>	<b>Head of Household</b>
2023	11.00% + \$16,379	\$ 200,000	11.00% + \$32,757	\$ 400,000	11.00% + \$24,568	\$ 300,000
2022	11.00% + \$16,379	200,000	11.00% + \$32,757	400,000	11.00% + \$24,568	300,000
2021	11.00% + \$16,379	200,000	11.00% + \$32,757	400,000	11.00% + \$24,568	300,000
2020	11.00% + \$16,379	200,000	11.00% + \$32,757	400,000	11.00% + \$24,568	300,000
2019	11.00% + \$16,379	200,000	11.00% + \$32,757	400,000	11.00% + \$24,568	300,000
2018	8.25% + \$3,214	48,000	8.25% + \$6,427	96,000	8.25% + \$4,820	72,000
2017	8.25% + \$3,214	48,000	8.25% + \$6,427	96,000	8.25% + \$4,820	72,000
2016	11.00% + \$16,379	200,000	11.00% + \$32,757	400,000	11.00% + \$24,568	300,000
2015	11.00% + \$16,379	200,000	11.00% + \$32,757	400,000	11.00% + \$24,568	300,000
2014	11.00% + \$16,379	200,000	11.00% + \$32,757	400,000	11.00% + \$24,568	300,000

**Source:** State of Hawaii, Department of Taxation.

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**State of Hawaii**  
**Revenue Capacity Information**  
**Taxable Sales by Industry (Unaudited)**  
**Ten Years Ended June 30, 2023**  
(Amounts in millions)

	Fiscal Year Ended June 30,				
	2023	2022	2021	2020	2019
<b>Taxable sales by activities</b>					
Retailing	\$ 47,555	\$ 43,307	\$ 33,368	\$ 35,679	\$ 36,801
Services	20,178	18,256	15,345	16,750	16,927
Contracting	11,268	10,327	10,029	9,541	9,706
Hotel rentals	7,899	6,658	1,989	5,215	5,669
All other rentals	9,848	9,134	7,533	8,667	8,564
All other (4%)	7,471	6,874	4,493	5,893	6,543
Subtotal	<u>104,219</u>	<u>94,556</u>	<u>72,757</u>	<u>81,745</u>	<u>84,210</u>
Producing	389	382	342	303	296
Manufacturing	483	441	522	561	596
Wholesaling	24,739	22,501	16,837	17,417	18,062
Use (0.5%)	8,406	8,280	6,512	6,886	7,280
Services (intermediary)	1,546	1,079	865	1,007	1,005
Insurance solicitors	595	672	664	702	754
Subtotal	<u>36,158</u>	<u>33,355</u>	<u>25,742</u>	<u>26,876</u>	<u>27,993</u>
Total all activities	<u>\$ 140,377</u>	<u>\$ 127,911</u>	<u>\$ 98,499</u>	<u>\$ 108,621</u>	<u>\$ 112,203</u>

General excise and use tax are imposed on the gross income received by the business, as follows:

- 4% of sales of tangible personal property, services, contracting, theater amusement and broadcasting, commissions, transient accommodation rentals, other rentals, interest, and other business activities.
- 0.5% of sales from wholesaling, manufacturing, producing, wholesale services, and imports for resale.
- 0.15% on insurance producer commissions.

**Source:** State of Hawaii, Department of Taxation – Monthly Tax Collection Reports.

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<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$ 35,454	\$ 30,747	\$ 29,498	\$ 29,987	\$ 31,152
16,375	14,162	13,667	13,361	13,795
8,914	8,418	8,185	7,322	7,046
5,527	4,898	4,442	4,328	4,279
8,171	6,669	6,474	6,544	6,472
6,545	5,918	5,407	5,486	5,683
<u>80,986</u>	<u>70,812</u>	<u>67,673</u>	<u>67,028</u>	<u>68,427</u>
359	324	295	321	436
640	731	734	716	1,876
17,590	14,462	13,864	14,294	14,675
7,640	6,799	7,354	7,127	6,489
903	870	708	716	1,096
650	495	485	489	485
<u>27,782</u>	<u>23,681</u>	<u>23,440</u>	<u>23,663</u>	<u>25,057</u>
<u>\$ 108,768</u>	<u>\$ 94,493</u>	<u>\$ 91,113</u>	<u>\$ 90,691</u>	<u>\$ 93,484</u>

**State of Hawaii**  
**Revenue Capacity Information**  
**Sales Tax Revenue Payers by Industry (Unaudited)**  
**Ten Years Ended June 30, 2023**  
**(Amounts in thousands)**

	Fiscal Year Ended June 30,									
	2023		2022		2021		2020		2019	
	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total
Retailing	\$ 1,902,192	42.7 %	\$ 1,732,276	43.2 %	\$ 1,334,715	43.3 %	\$ 1,427,180	41.5 %	\$ 1,472,039	41.5 %
Services	807,109	18.1 %	730,258	18.2 %	613,791	19.9 %	670,010	19.5 %	677,082	19.1 %
Contracting	450,718	10.1 %	413,076	10.3 %	401,141	13.0 %	381,641	11.1 %	388,249	11.0 %
Theater, amusement, etc.	22,288	0.5 %	17,633	0.4 %	8,537	0.3 %	16,661	0.5 %	19,978	0.6 %
Interest	168,245	3.8 %	145,241	3.6 %	83,679	2.7 %	127,396	3.7 %	141,903	4.0 %
Commissions	60,453	1.4 %	71,372	1.8 %	51,715	1.7 %	51,076	1.5 %	54,981	1.6 %
Hotel rentals	315,969	7.1 %	266,321	6.6 %	79,578	2.6 %	208,581	6.1 %	226,764	6.4 %
All other rentals	393,914	8.9 %	365,344	9.1 %	301,321	9.8 %	346,685	10.1 %	342,572	9.7 %
Use (4%)	47,874	1.1 %	40,719	1.0 %	35,784	1.2 %	40,580	1.2 %	44,847	1.3 %
All other (4%)	-	0.0 %	-	0.0 %	-	0.0 %	-	0.0 %	-	0.0 %
Producing	1,945	0.1 %	1,910	0.1 %	1,712	0.1 %	1,514	0.1 %	1,480	0.0 %
Manufacturing	2,414	0.1 %	2,203	0.1 %	2,612	0.1 %	2,807	0.1 %	2,981	0.1 %
Wholesaling	123,689	2.8 %	112,507	2.8 %	84,183	2.7 %	87,088	2.5 %	90,308	2.6 %
Use (0.5%)	42,029	0.9 %	41,402	1.0 %	32,560	1.1 %	34,428	1.0 %	36,398	1.0 %
Services (Intermediary)	7,730	0.3 %	5,395	0.2 %	4,324	0.1 %	5,033	0.1 %	5,026	0.1 %
Insurance solicitors	893	0.0 %	1,007	0.0 %	996	0.0 %	1,053	0.0 %	1,131	0.0 %
Unallocated collections	95,190	2.1 %	63,245	1.6 %	43,546	1.4 %	34,405	1.0 %	35,650	1.0 %
Total	<u>\$ 4,442,652</u>	<u>100.0 %</u>	<u>\$ 4,009,909</u>	<u>100.0 %</u>	<u>\$ 3,080,194</u>	<u>100.0 %</u>	<u>\$ 3,436,138</u>	<u>100.0 %</u>	<u>\$ 3,541,389</u>	<u>100.0 %</u>

**Note:** Information for number of filers is not available.

**Source:** State of Hawaii, Department of Taxation – Monthly Tax Collection Reports.

2018		2017		2016		2015		2014	
Tax Liability	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total	Tax Liability	Percentage of Total
\$ 1,418,176	41.8 %	\$ 1,229,860	38.0 %	\$ 1,179,911	36.8 %	\$ 1,199,488	39.4 %	\$ 1,246,061	43.3 %
655,007	19.3 %	566,466	17.5 %	546,684	17.1 %	534,442	17.5 %	551,784	19.2 %
356,576	10.5 %	336,717	10.4 %	327,394	10.2 %	292,874	9.6 %	281,839	9.8 %
19,182	0.6 %	17,248	0.5 %	15,931	0.5 %	15,955	0.5 %	15,619	0.5 %
142,359	4.2 %	134,441	4.2 %	1	0.0 %	1	0.0 %	3	0.0 %
55,832	1.6 %	49,209	1.5 %	44,777	1.4 %	45,619	1.5 %	45,125	1.6 %
221,084	6.5 %	195,919	6.0 %	177,671	5.5 %	173,100	5.7 %	171,162	5.9 %
326,823	9.6 %	266,758	8.2 %	258,977	8.1 %	261,743	8.6 %	258,886	9.0 %
44,390	1.3 %	35,845	1.1 %	35,620	1.1 %	39,884	1.3 %	40,277	1.4 %
-	0.0 %	-	0.0 %	119,948	3.7 %	118,014	3.9 %	126,306	4.4 %
1,794	0.1 %	1,619	0.1 %	1,473	0.0 %	1,605	0.1 %	2,181	0.1 %
3,201	0.1 %	3,657	0.1 %	3,670	0.1 %	3,581	0.1 %	9,380	0.3 %
87,952	2.6 %	72,309	2.2 %	69,322	2.2 %	71,471	2.3 %	73,373	2.5 %
38,201	1.1 %	33,996	1.0 %	36,872	1.2 %	35,634	1.2 %	32,446	1.1 %
4,514	0.1 %	4,352	0.1 %	3,539	0.1 %	3,578	0.1 %	5,480	0.2 %
975	0.0 %	743	0.1 %	728	0.0 %	733	0.0 %	728	0.0 %
19,500	0.6 %	290,086	9.0 %	383,736	12.0 %	250,484	8.2 %	19,893	0.7 %
<u>\$ 3,395,566</u>	<u>100.0 %</u>	<u>\$ 3,239,225</u>	<u>100.0 %</u>	<u>\$ 3,206,254</u>	<u>100.0 %</u>	<u>\$ 3,048,206</u>	<u>100.0 %</u>	<u>\$ 2,880,543</u>	<u>100.0 %</u>

**State of Hawaii**  
**Debt Capacity Information**  
**Ratios of Outstanding Debt by Type (Unaudited)**  
**Ten Years Ended June 30, 2023**  
**(Amounts in thousands except per capita data)**

	<b>Fiscal Year Ended June 30,</b>				
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Governmental activities</b>					
General obligation bonds	\$ 9,024,693	\$ 9,041,510	\$ 8,870,454	\$ 7,294,070	\$ 7,914,382
Revenue bonds	650,537	700,427	753,505	623,120	571,306
Lease payable	60,504	60,798	10,179	-	-
Subscriptions payable	31,255	-	-	-	-
Financed purchases	90,646	101,631	108,665	115,147	122,922
Total governmental activities	<u>9,857,635</u>	<u>9,904,366</u>	<u>9,742,803</u>	<u>8,032,337</u>	<u>8,608,610</u>
<b>Business-type activities</b>					
General obligation bonds	10,966	13,667	16,239	18,690	21,026
Revenue bonds	2,671,137	2,716,839	2,519,961	2,093,075	1,968,315
Lease payable	953	242	-	-	-
Financed purchases	178,596	195,592	210,803	224,375	236,147
Loan payable	-	-	-	-	76,000
Total business-type activities	<u>2,861,652</u>	<u>2,926,340</u>	<u>2,747,003</u>	<u>2,336,140</u>	<u>2,301,488</u>
Total primary government	<u>\$ 12,719,287</u>	<u>\$ 12,830,706</u>	<u>\$ 12,489,806</u>	<u>\$ 10,368,477</u>	<u>\$ 10,910,098</u>
<b>Hawaii total personal income</b>	\$ 91,448,000	\$ 86,011,000	\$ 85,439,000	\$ 84,361,000	\$ 80,163,000
<b>Debt as a percentage of personal income</b>	13.9 %	14.9 %	14.6 %	12.3 %	13.6 %
<b>Hawaii population</b>	1,436	1,435	1,455	1,416	1,422
<b>Amount of debt per capita</b>	\$ 8,857	\$ 8,941	\$ 8,584	\$ 7,322	\$ 7,672

**Note:** Details regarding the State's outstanding debt can be found in the notes to basic financial statements.

**Source:** State of Hawaii, Annual Comprehensive Financial Reports.  
State of Hawaii, Department of Business, Economic Development and Tourism – QSER.

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<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$ 7,912,206	\$ 7,635,827	\$ 6,953,431	\$ 6,503,281	\$ 5,784,139
633,073	692,742	615,120	666,202	412,725
-	-	-	-	-
-	-	-	-	-
129,897	143,622	149,477	96,175	102,622
<u>8,675,176</u>	<u>8,472,191</u>	<u>7,718,028</u>	<u>7,265,658</u>	<u>6,299,486</u>
23,255	25,377	27,400	29,332	31,176
1,567,305	1,375,442	1,429,980	1,218,943	1,278,137
-	-	-	-	-
244,979	252,806	179,985	172,864	173,771
76,000	76,000	34,910	34,910	-
<u>1,911,539</u>	<u>1,729,625</u>	<u>1,672,275</u>	<u>1,456,049</u>	<u>1,483,084</u>
<u>\$ 10,586,715</u>	<u>\$ 10,201,816</u>	<u>\$ 9,390,303</u>	<u>\$ 8,721,707</u>	<u>\$ 7,782,570</u>
\$ 76,476,000	\$ 72,997,000	\$ 71,767,000	\$ 66,763,000	\$ 64,620,000
13.8 %	14.0 %	13.1 %	13.1 %	12.0 %
1,435	1,428	1,429	1,432	1,420
\$ 7,378	\$ 7,144	\$ 6,571	\$ 6,091	\$ 5,481

**State of Hawaii**  
**Debt Capacity Information**  
**Ratios of Net General Bonded Debt Outstanding (Unaudited)**  
**Ten Years Ended June 30, 2023**  
**(Amounts in thousands except ratio data)**

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<b>Fiscal Year</b>	<b>Taxable Sales (1)</b>	<b>Population (2)</b>	<b>General Obligation Bonded Debt (3)(4)</b>	<b>Less: Debt Services Monies Available (3)</b>	<b>Net General Obligation Bonded Debt</b>	<b>Percentage of Taxable Sales</b>	<b>Net General Obligation Bonded Debt Per Capita</b>
2023	\$ 140,376,000	1,436	\$ 9,035,659	\$ 257	\$ 9,035,402	6.4 %	6,292
2022	127,811,000	1,435	9,055,177	272	9,054,905	7.1 %	6,310
2021	98,499,000	1,455	8,886,693	247	8,886,446	9.0 %	6,108
2020	108,621,000	1,416	7,312,760	152	7,312,608	6.7 %	5,164
2019	112,203,000	1,422	7,935,408	-	7,935,408	7.1 %	5,580
2018	108,768,000	1,435	7,935,461	-	7,935,461	7.3 %	5,530
2017	94,493,000	1,428	7,661,204	35	7,661,169	8.1 %	5,365
2016	91,113,000	1,429	6,980,831	35	6,980,796	7.7 %	4,885
2015	90,691,000	1,432	6,532,613	35	6,532,578	7.2 %	4,562
2014	93,484,000	1,420	5,815,315	35	5,815,280	6.2 %	4,095

- (1) **Source:** State of Hawaii, Department of Taxation.
- (2) **Source:** State of Hawaii, Department of Business, Economic Development and Tourism – Census Data.
- (3) **Source:** State of Hawaii, Department of Accounting and General Services, Accounting Division.
- (4) Excludes Component Unit.

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**State of Hawaii**  
**Debt Capacity Information**  
**Legal Debt Margin Information (Unaudited)**  
**Ten Years Ended June 30, 2023**  
**(Amounts in thousands)**

	Fiscal Year Ended June 30,				
	2023	2022	2021	2020	2019
Average general fund revenues of the three preceding fiscal years	\$ 9,546,317	\$ 8,695,460	\$ 7,930,471	\$ 7,732,620	\$ 7,637,553
Constitutional debt limit percentage	18.5 %	18.5 %	18.5 %	18.5 %	18.5 %
Constitutional debt limit for total principal and interest payable in a current or future year	1,766,069	1,608,660	1,467,137	1,430,535	1,412,947
Less: Total principal and interest payable on outstanding general obligation bonds in highest debt service year	(1,017,620)	(973,637)	(917,238)	(753,610)	(836,170)
Legal debt margin	\$ 748,449	\$ 635,023	\$ 549,899	\$ 676,925	\$ 576,777
Legal debt margin as a percentage of the debt limit	42.4 %	39.5 %	37.5 %	47.3 %	40.8 %

The formula for the legal debt limit is contained in Article VII, Section 13 of the State Constitution.

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<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$ 7,359,330	\$ 6,997,106	\$ 6,577,966	\$ 6,294,642	\$ 5,987,800
18.5 %	18.5 %	18.5 %	18.5 %	18.5 %
1,361,476	1,294,465	1,216,924	1,164,509	1,107,743
(792,143)	(739,852)	(712,590)	(693,934)	(693,677)
\$ 569,333	\$ 554,613	\$ 504,334	\$ 470,575	\$ 414,066
41.8 %	42.8 %	41.4 %	40.4 %	37.4 %

**State of Hawaii**  
**Debt Capacity Information**  
**Pledge Revenue Coverage (Unaudited)**  
**Ten Years Ended June 30, 2023**  
**(Amounts in thousands)**

	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Revenue bonds – Airports</b>										
Gross revenue (1)	\$ 613,800	\$ 575,402	\$ 403,145	\$ 486,117	\$ 495,315	\$ 466,317	\$ 431,726	\$ 381,404	\$ 355,948	\$ 341,155
Less: Operating expenses (2)	371,975	363,479	364,439	339,043	316,905	299,799	288,644	259,223	253,581	246,982
Net available revenue	241,825	211,923	38,706	147,074	178,410	166,518	143,082	122,181	102,367	94,173
Debt services										
Principal	33,650	445	430	44,690	42,585	40,755	38,935	37,290	35,725	34,210
Interest (3)	65,928	61,836	53,947	51,751	47,423	46,454	45,182	42,532	41,671	23,414
Total debt services	99,578	62,281	54,377	96,441	90,008	87,209	84,117	79,822	77,396	57,624
Coverage (4)	243 %	340 %	71 %	153 %	198 %	191 %	170 %	153 %	132 %	163 %
<b>Revenue bonds – Harbors</b>										
Gross revenue (5)	\$ 229,446	\$ 205,340	\$ 183,738	\$ 183,623	\$ 198,605	\$ 170,560	\$ 140,052	\$ 131,858	\$ 124,663	\$ 122,379
Less: Operating expenses (6)	59,274	55,018	48,491	48,834	47,461	53,543	53,396	47,133	43,132	43,837
Net available revenue	170,172	150,322	135,247	134,789	151,144	117,017	86,656	84,725	81,531	78,542
Debt services	33,245	28,350	28,350	28,940	28,936	29,114	31,176	31,187	31,176	31,528
Coverage (4)	512 %	530 %	477 %	466 %	522 %	402 %	278 %	272 %	262 %	249 %
<b>Revenue bonds – Highways</b>										
Gross revenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 255,431
Less: Operating expenses	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	205,872
Net available revenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	49,559
Debt services										
Principal	\$ 26,955	\$ 27,980	\$ 30,695	\$ 29,845	\$ 42,735	\$ 40,765	\$ 37,790	\$ 34,920	\$ 31,890	28,825
Interest	24,411	22,966	20,382	17,630	19,299	21,186	19,320	20,571	19,402	19,036
Total debt services	51,366	50,946	51,077	47,475	62,034	61,951	57,110	55,491	51,292	47,861
Coverage (7)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	104 %
<b>Revenue bonds – Department of Hawaiian Home Lands</b>										
Revenue	\$ 17,864	\$ 19,984	\$ 15,922	\$ 16,434	\$ 17,361	\$ 17,564	\$ 15,867	\$ 14,730	\$ 15,230	\$ 15,763
Less: Operating expenses	-	-	-	-	-	-	-	-	-	-
Net available revenue	17,864	19,984	15,922	16,434	17,361	17,564	15,867	14,730	15,230	15,763
Debt services										
Principal	1,875	1,920	1,695	1,655	1,575	1,100	850	810	775	740
Interest	1,131	1,221	1,306	1,372	1,435	887	2,163	2,201	2,237	2,270
Total debt services	3,006	3,141	3,001	3,027	3,010	1,987	3,013	3,011	3,012	3,010
Coverage (4)	594 %	636 %	531 %	543 %	577 %	884 %	527 %	489 %	506 %	524 %

N/A Not Available

- (1) Total operating revenues plus interest income and federal operating grants, exclusive of interest earned on investment in financing leases.
- (2) Total operating expenses other than depreciation less (plus) excess of actual disbursements over (under) required reserve for major maintenance, renewal and replacement plus amounts required to be paid into the General Fund for general obligation bond requirements.
- (3) For purposes of calculating the debt service requirement, interest payment for Airports system revenue bonds exclude the amortization of the deferred loss on refunding and original issue discount and premium, which are reported as interest expense for financial statement reporting purposes.  
 For fiscal years 2016, 2015 and 2014, Airports transferred \$4,000,000, \$18,500,000 and \$19,000,000, respectively, of available funds from the Prepaid Airport Use Charge Fund into the Airport Revenue Fund for credit to the interest account in the current year to reduce the amount required to be deposited to the interest account, pursuant to the provisions of Section 6.01 in the "Certificate of the Director of Transportation Providing for the Issuance of State of Hawaii Airports System Revenue Bonds."
- (4) Revenue bond indentures require a minimum debt service coverage percentage of 125%.
- (5) Total operating and nonoperating revenues exclusive of interest income on investment in financing leases and special facility construction fund and revenue fund investments.
- (6) Total operating expenses other than depreciation, less State of Hawaii surcharge for central service expenses.
- (7) Highways revenue bond indentures require a minimum debt service coverage percentage of 100% during a routine year, 200% during the year bonds are issued, and 135% is required for any year Highways' funds are transferred out (i.e., General Fund).

Coverage equals net available revenue divided by debt services.

**Source:** Airports Audited Financial Statements and Schedules of the State of Hawaii, Department of Transportation, Airports Division.  
 Harbors Audited Financial Statements and Schedules of the State of Hawaii, Department of Transportation, Harbors Division.  
 Highways Financial Statements and Schedules of the State of Hawaii, Department of Transportation, Highways Division.  
 DHHL Audited Financial Statements and Schedules of the State of Hawaii, Department of Hawaiian Home Lands.

**State of Hawaii**  
**Demographic and Economic Information**  
**Demographic and Economic Statistics (Unaudited)**  
**Ten Years Ended June 30, 2023**

	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Population (in thousands)</b>										
State	\$ 1,436	\$ 1,435	\$ 1,455	\$ 1,416	\$ 1,422	\$ 1,435	\$ 1,428	\$ 1,429	\$ 1,432	\$ 1,420
Percentage change	0.07 %	(1.37)%	2.75 %	(0.42)%	(0.91)%	0.49 %	(0.07)%	(0.21)%	0.85 %	1.14 %
National	\$ 335,652	\$ 332,834	\$ 332,473	\$ 329,872	\$ 331,884	\$ 327,734	\$ 325,719	\$ 323,128	\$ 321,419	\$ 318,857
Percentage change	0.85 %	0.11 %	0.79 %	(0.61)%	1.27 %	0.62 %	0.80 %	0.53 %	0.80 %	86.00 %
<b>Total personal income (in millions)</b>										
State	\$ 91,448	\$ 86,011	\$ 85,439	\$ 84,361	\$ 80,163	\$ 76,476	\$ 72,997	\$ 70,670	\$ 66,763	\$ 64,620
Percentage change	6.32 %	0.67 %	1.28 %	5.24 %	4.82 %	4.77 %	3.29 %	5.85 %	3.32 %	2.23 %
National	\$ 22,080,630	\$ 20,805,550	\$ 18,670,430	\$ 17,829,250	\$ 17,855,326	\$ 17,189,635	\$ 16,152,011	\$ 15,725,128	\$ 14,991,944	\$ 14,420,041
Percentage change	6.13 %	11.44 %	4.72 %	(0.15)%	3.87 %	6.42 %	2.71 %	4.89 %	3.97 %	3.71 %
<b>Per capita personal income (in thousands)</b>										
State	\$ 63,683	\$ 60,210	\$ 58,721	\$ 59,577	\$ 56,373	\$ 53,293	\$ 51,118	\$ 49,454	\$ 46,622	\$ 45,507
Percentage change	5.77 %	2.54 %	(1.44)%	5.68 %	5.78 %	4.25 %	3.36 %	6.07 %	2.45 %	1.08 %
National	\$ 65,784	\$ 62,510	\$ 56,156	\$ 54,049	\$ 53,890	\$ 52,450	\$ 49,589	\$ 48,665	\$ 46,643	\$ 45,224
Percentage change	5.24 %	11.31 %	3.90 %	0.30 %	2.75 %	5.77 %	1.90 %	4.34 %	3.14 %	2.82 %
<b>Resident civilian labor force and employment</b>										
Civilian labor force employed	655,546	642,879	576,163	612,221	656,546	669,642	672,675	660,942	645,092	624,638
Unemployed	23,763	30,333	70,075	45,125	18,013	14,508	19,800	22,563	27,729	30,142
Unemployment rate	3.62 %	4.72 %	12.16 %	7.37 %	2.74 %	2.17 %	2.94 %	3.41 %	4.30 %	4.83 %

**Note:** The Per Capita Personal Income amount is computed by dividing Personal Income by Population, multiplied by 1,000.

**Source:** State of Hawaii, Department of Business, Economic Development and Tourism – QSER.  
Bureau of Economic Analysis – Regional Economic Accounts.  
State of Hawaii, Department of Labor and Industrial Relations – Hawaii Workforce Infonet (HWI).

**State of Hawaii**  
**Demographic and Economic Information**  
**Ten Largest Private Sector Employers (Unaudited)**  
**June 30, 2023 and June 30, 2014**

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2023			2014		
Employer	Employees	Percentage	Employer	Employees	Percentage
		of Total State Employment			of Total State Employment
Hawaii Pacific Health	7,199	1.1 %	Bank of Hawaii Corp	2,261	0.3 %
Hawaiian Airlines	6,226	0.9 %	First Hawaiian Bank	2,056	0.3 %
Hawaiian Electric Industries	3,602	0.5 %	Hawaii Pacific Health	6,307	1.0 %
Kaiser Permanente Hawaii	2,834	0.4 %	Hawaiian Electric Industries	3,966	0.6 %
Kamehameha Schools	2,210	0.3 %	Hawaiian Holdings, Inc.	5,249	0.8 %
Kyo-ya Hotels & Resorts, LP	2,495	0.4 %	Kaiser Permanente Hawaii	4,371	0.7 %
Matson, Inc.	2,362	0.3 %	Kamehameha Schools	2,300	0.4 %
Outrigger Hospitality Group	2,701	0.4 %	Kyo-ya Company LLC	2,964	0.5 %
Servco Pacific Inc.	2,210	0.3 %	Securitas Security Services USA, Inc.	2,400	0.4 %
The Queen's Health System	6,752	1.0 %	The Queen's Health System	5,585	0.9 %

**Note:** Total Annual Average Employment for Hawaii for fiscal year 2023 – 679,000 and for fiscal year 2014 – 655,000.

Listed alphabetically.

**Source:** Hawaii Business, Annual August Issue.  
State of Hawaii, Department of Labor and Industrial Relations – HWI – Labor (Total State Employees).

**State of Hawaii**  
**Demographic and Economic Information**  
**State Employees by Function (Unaudited)**  
**Ten Years Ended June 30, 2023**

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	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government	4,143	4,102	4,160	4,478	4,533	4,517	4,538	4,537	4,571	4,572
Public safety	2,691	3,030	3,094	3,161	3,207	3,265	3,336	3,316	3,197	3,175
Transportation	2,194	2,216	2,228	2,258	2,210	2,229	2,234	2,263	2,295	2,254
Conservation of natural resources	1,012	963	1,058	1,144	1,079	1,051	1,008	1,015	1,007	1,007
Health	5,284	5,149	5,103	5,204	5,246	5,325	5,127	6,544	6,731	6,813
Welfare	1,675	1,747	1,859	1,915	1,948	1,957	1,940	1,913	1,927	1,941
Lower education	21,537	21,815	21,581	21,995	22,122	22,016	21,531	21,841	21,707	21,797
Higher education	8,023	8,157	8,269	8,633	8,660	8,647	8,620	8,746	8,802	9,080
Other education	423	427	452	497	493	508	486	496	488	492
Urban redevelopment and housing	128	122	124	136	138	132	130	118	123	127
Economic development and assistance	927	764	810	698	702	814	730	749	761	759
Total	<u>48,037</u>	<u>48,492</u>	<u>48,738</u>	<u>50,119</u>	<u>50,338</u>	<u>50,461</u>	<u>49,680</u>	<u>51,538</u>	<u>51,609</u>	<u>52,017</u>

**Source:** State of Hawaii, Department of Human Resources Development.

**State of Hawaii**  
**Operating Information**  
**Operating Indicators by Function (Unaudited)**  
**Ten Years Ended June 30, 2023**

	Fiscal Year Ended June 30,				
	2023	2022	2021	2020	2019
<b>General government</b>					
Tax Commission					
Total individual net income returns	775,194	766,585	883,260	693,152	838,441
Number of individual net income returns filed electronically	646,217	621,258	687,282	543,820	579,720
Percentage of individual net income returns transmitted electronically	83.36%	81.04%	77.81%	78.46%	69.14%
<b>Public safety</b>					
Inmate population					
In-state facilities	3,230	3,120	2,981	3,326	3,991
Out-of-state facilities	923	1,029	1,189	1,199	1,507
Total	<u>4,153</u>	<u>4,149</u>	<u>4,170</u>	<u>4,525</u>	<u>5,498</u>
<b>Conservation and natural resources</b>					
Parks and Recreation					
Number of state-owned parks	50	50	50	50	51
<b>Health</b>					
Environmental health					
Air quality sites monitored	17	18	20	21	20
Water quality stations	197	197	197	197	197
Revolving loan funds	235	224	214	208	200
Mental health					
Adult consumers served	7,763	7,390	7,792	7,990	7,124
Individuals with developmental disabilities served	3,534	3,474	3,424	3,548	3,251
<b>Welfare</b>					
Temporary assistance to needy families recipients/temporary assistance to other needy families recipients (TANF/TAONF)					
Families per-month average	3,384	5,149	6,782	4,569	4,362
Average time on assistance	18.0	18.0	24.0	16.7	19.7
Monthly benefits paid for the month of July (in millions)	\$ 2.08	\$ 3.36	\$ 4.15	\$ 2.71	\$ 2.48
General assistance					
Individuals per month	4,217	4,456	6,529	5,634	5,396
Food stamp program					
Number of persons participating	156,967	178,486	176,513	154,669	154,161
Number of households participating	87,471	100,706	97,382	79,811	79,702
Benefits issued (in millions)	\$ 74.23	\$ 79.69	\$ 57.32	\$ 37.07	\$ 36.89
Medicaid programs					
Med-Quest enrollment	465,541	460,742	428,580	361,912	336,202

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<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
808,183	704,250	768,261	715,706	737,205
552,464	536,273	529,527	509,409	483,817
68.36%	76.15%	68.93%	71.18%	65.63%
4,017	4,052	4,584	4,683	4,456
<u>1,460</u>	<u>1,617</u>	<u>1,386</u>	<u>1,341</u>	<u>1,363</u>
<u>5,477</u>	<u>5,669</u>	<u>5,970</u>	<u>6,024</u>	<u>5,819</u>
52	54	54	52	51
20	14	14	14	13
187	169	160	161	173
192	186	176	159	149
8,328	9,295	7,828	8,282	10,408
2,956	2,863	2,738	2,705	2,615
4,813	5,750	6,918	8,102	8,927
18.1	18.1	18.1	17.5	N/A
\$ 2.26	\$ 2.98	\$ 3.90	\$ 3.60	\$ 4.10
5,575	5,651	5,676	5,699	5,598
164,788	170,850	173,780	191,918	193,565
84,297	85,491	87,636	96,502	98,440
\$ 39.78	\$ 40.26	\$ 40.23	\$ 49.90	\$ 43.39
353,058	352,991	350,358	332,197	325,510

(continued)



**State of Hawaii**  
**Operating Information**  
**Operating Indicators by Function (Unaudited)**  
**Ten Years Ended June 30, 2023**

	Fiscal Year Ended June 30,				
	2023	2022	2021	2020	2019
<b>Lower education</b>					
Number of schools	295	294	294	293	292
Number of students	170,209	173,178	176,441	181,088	181,278
Staff					
Classroom teachers	11,984	12,026	12,136	12,221	12,132
Librarians	89	88	114	126	135
Counselors	665	646	659	660	660
Administrators	1,079	1,064	1,095	1,093	1,056
Other support staff	9,078	9,108	9,246	9,236	9,194
Total	<u>22,895</u>	<u>22,932</u>	<u>23,250</u>	<u>23,336</u>	<u>23,177</u>
<b>Higher education</b>					
Enrollment					
Number of credit students	<u>48,933</u>	<u>48,373</u>	<u>49,773</u>	<u>49,594</u>	<u>49,977</u>
Degrees earned					
Certificates/Associate Degrees/Advanced Professional certificates	3,998	4,434	4,801	4,800	5,191
Bachelor's degrees	4,281	4,681	4,558	4,473	4,681
Master's degrees/Professional diploma	1,032	1,004	905	1,031	868
Doctor's degrees/First Professional	169	167	443	489	479
Other	334	409	56	54	80
Total	<u>9,814</u>	<u>10,695</u>	<u>10,763</u>	<u>10,847</u>	<u>11,299</u>
Degrees by campus/college					
University of Hawaii at Manoa	4,464	4,692	4,461	4,519	4,551
University of Hawaii at Hilo	682	780	775	801	895
University of Hawaii at West Oahu	630	738	706	709	643
Hawaii Community College	423	523	530	552	587
Honolulu Community College	734	799	756	922	906
Kapiolani Community College	755	943	1,084	1,100	1,212
Kauai Community College	331	335	307	290	343
Leeward Community College	1,056	1,193	1,293	1,087	1,135
Maui Community College	401	442	572	593	701
Windward Community College	338	250	279	274	326
Total	<u>9,814</u>	<u>10,695</u>	<u>10,763</u>	<u>10,847</u>	<u>11,299</u>

N/A Not available

**Source:** General Government – State of Hawaii, Department of Taxation.  
Public Safety – State of Hawaii, Department of Public Safety.  
Conservation of Natural Resources – State of Hawaii, Department of Land and Natural Resources.  
Health – State of Hawaii, Department of Health.  
Welfare – State of Hawaii, Department of Human Services.  
Lower Education – State of Hawaii, Department of Education.  
Higher Education – University of Hawaii.

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<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
292	290	290	289	288
180,837	181,550	181,995	182,384	185,273
12,033	11,782	11,747	11,663	11,781
143	149	160	173	185
653	634	634	623	625
1,036	995	943	914	833
9,277	9,039	9,113	9,052	9,014
<b>23,142</b>	<b>22,599</b>	<b>22,597</b>	<b>22,425</b>	<b>22,438</b>
<b>51,063</b>	<b>51,674</b>	<b>53,418</b>	<b>55,756</b>	<b>57,052</b>
4,912	5,102	5,192	4,830	5,158
4,693	4,735	4,841	4,599	4,408
1,035	1,040	1,126	1,035	1,179
513	482	472	579	467
62	49	49	61	66
<b>11,215</b>	<b>11,408</b>	<b>11,680</b>	<b>11,104</b>	<b>11,278</b>
4,726	4,712	5,104	4,923	4,949
942	955	893	905	806
613	623	474	439	352
586	576	693	569	669
778	900	886	725	683
1,276	1,356	1,383	1,335	1,513
211	258	248	264	203
1,102	1,019	1,057	1,000	1,090
638	668	594	575	660
343	341	348	369	353
<b>11,215</b>	<b>11,408</b>	<b>11,680</b>	<b>11,104</b>	<b>11,278</b>

(concluded)

**State of Hawaii**  
**Operating Information**  
**Capital Assets Statistics by Function (Unaudited)**  
**Ten Years Ended June 30, 2023**

	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>General government</b>										
Department of Accounting and General Services										
Buildings	78	79	84	79	79	79	79	81	79	78
Vehicles	659	655	677	692	675	644	644	673	650	650
Department of the Attorney General										
Buildings	7	8	6	6	6	6	6	6	6	6
Vehicles	8	8	8	4	3	3	3	4	3	3
The Judiciary										
Buildings	14	19	19	19	19	19	19	19	19	19
Vehicles	-	-	-	-	-	-	18	18	18	18
Other departments										
Buildings	15	20	19	21	21	21	21	21	23	23
Vehicles	4	4	4	3	3	3	3	3	3	4
<b>Public safety</b>										
Department of Public Safety										
Buildings and correction facilities	76	76	83	76	76	76	76	76	77	75
Vehicles	393	375	367	370	354	353	290	302	306	279
Department of Defense										
Buildings	64	64	63	99	99	99	99	99	99	98
Vehicles	137	134	126	126	128	121	108	104	96	128
Department of Commerce and Consumer Affairs										
Buildings	5	4	4	4	4	4	4	4	4	4
<b>Highways</b>										
Department of Transportation										
Highway lane miles	2,491	2,491	2,477	2,478	2,497	2,489	2,489	2,487	2,477	2,488
Highway bridges	752	752	752	752	752	752	752	752	752	752
Buildings	39	40	41	40	40	40	40	40	39	37
Vehicles	1,032	1,048	1,065	1,063	1,077	1,101	1,043	989	971	982

(continued)

N/A Not Available

**Source:** Buildings and Vehicles – State of Hawaii, Department of Accounting and General Services.  
Lane Miles – State of Hawaii, Department of Transportation.  
Land Area and Highway Bridges – State of Hawaii, Data Book 2023.

	<b>Fiscal Year Ended June 30,</b>									
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Conservation of natural resources</b>										
Department of Land and Natural Resources										
Land area (in square miles)	6,423	6,423	6,423	6,423	6,423	6,423	6,423	6,423	6,423	6,423
Buildings	96	96	102	97	97	97	97	97	97	96
Vehicles	996	100	968	982	969	927	886	855	824	785
Department of Agriculture										
Buildings	31	33	35	33	33	33	33	33	33	32
Vehicles	153	153	158	164	165	163	159	161	164	166
<b>Health</b>										
Department of Health										
Buildings	69	73	71	73	73	73	73	74	74	74
Vehicles	258	266	270	272	278	269	258	241	230	227
<b>Welfare</b>										
Department of Human Services										
Buildings	17	18	20	18	18	18	18	18	18	18
Vehicles	100	94	95	93	94	95	99	99	104	116
<b>Lower education</b>										
Department of Education										
Buildings	9	9	9	8	8	8	8	8	8	8
<b>Other education</b>										
Department of Education – libraries										
Buildings	39	41	40	39	39	38	38	39	38	38
Vehicles	22	23	27	31	33	33	29	29	29	25
<b>Urban redevelopment and housing</b>										
Department of Hawaiian Home Lands										
Buildings	22	23	21	19	19	19	19	19	18	18
Vehicles	52	52	50	50	46	47	42	39	36	33
<b>Economic development and assistance</b>										
Department of Business, Economic Development and Tourism										
Buildings	34	32	38	33	33	32	32	32	32	32
Vehicles	40	26	26	29	32	32	30	32	32	28
Department of Labor and Industrial Relations										
Buildings	7	8	8	8	8	8	8	8	8	8
Vehicles	2	2	2	2	2	2	2	2	2	2

(concluded)

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