

Summary of the 9 Hawaiian Home Land Special Accounts

There are 9 special accounts administered and managed by the state of Hawaii Department of Hawaiian Home Lands (DHHL). Ultimate governance authority is the Hawaiian Homes Commission appointed by the state of Hawaii Governor. 2 are revolving, 5 are trust fund accounts and 2 are special fund accounts. They are as follows:

1. HH Administration Account	(lease rev)	Type: Special Fund
2. HH Operating Fund	(water/rental rev)	Type: Trust Fund
3. NH Rehabilitation Fund	(state 30% sugar rev)	Type: Trust Fund
4. HH Loan Fund	(state, principal pymnts)	Type: Revolving
5. HH General Loan Fund	(state, principal pymnts)	Type: Revolving
6. HH Receipts Fund	(interest payments)	Type: Trust Fund
7. HH Trust Fund	(state, other for guarantees)	Type: Trust Fund
8. HH Lands Trust Fund	(Act 14 payments)	Type: Trust Fund
9. Revenue Bond Special Fund	(interest/project revenues)	Type: Special Fund

**Special Note: Some expenses may require authorization by the Governor and Legislature, and others may require authorization only by the Hawaiian Homes Commission*

Descriptor of 9 Hawaiian Home Land Special Accounts

1. **HH Administration Account - Estimated Revenue: \$13M**

Types of Revenue to the Account:

- a. General lease revenue, RP and License revenue, and other land dispositions
- b. Interest or earnings from investments made

Types of Expenses made from the Account:

- c. Salaries and other administrative expense in conformity of other state agencies
- d. May NOT be used for structures or permanent improvements

Special Notations:

- e. Funds of this account must be incorporated into the State Executive Budget and appropriated by the legislature before they can be expended
- f. HHCA provides that excess receipts to this account over the amount made available by the legislature, may be transferred to the HH Operating Fund.

2. **HH Operating Fund - Estimated Revenue: \$0**

Types of Revenue to the Account:

- a. Funds appropriated by legislature to supplement costs of same purpose
- b. Interest from loans made from the fund.
- c. Interest transferred from Home Loan Fund or Funds transferred from Receipts Fund
- d. Excess funds transferred from Administration Account
- e. All other revenue not dedicated to other funds
 - i. Molokai/Anahola water system, hall rentals, homestead lease payments, etc

Types of Expenses made from the Account:

- f. Costs of revenue producing activities benefiting homesteaders (construction, purchases)
- g. Costs associated fees for state bonds issued for revenue producing projects
- h. Costs of operating or maintaining projects constructed from funds or other funds



- i. Costs of purchasing water, goods, supplies or equipment for goods/services charged to homesteaders
- j. Appraisals, studies, consultants, temporary hires needed to operate these projects

Types of Expenses Requiring Governor Approval:

- k. Offsite improvements/development necessary to serve current or future beneficiaries
- l. Improvements/additions/repairs to assets owned or leased (essentially CIP)
- m. Consultant services, purchase/lease of equipment, acquisition/lease of property
- n. Improvements constructed not otherwise permitted in other funds/accounts
- o. A&E and planning services to develop properties.
- p. Use funds for matching grants

3. NH Rehabilitation Fund - Estimated Revenue: \$325K

Purpose:

- a. Established by the 1978 Constitutional Convention to benefit small n, including educational, economic, political, social and cultural processes by which the general welfare and conditions of native Hawaiians are improved/perpetuated. Director of Finance must serve as custodian, with payments from the fund made by him upon approval of the HHC

Types of Revenues to the Account

- b. 30% of state revenues from sugar lands and water licenses (certain ceded lands)
- c. Payments & loan payments from the fund
- d. Interest revenue from the fund

Types of Expenses made from the Account

- e. Costs associated with educational, economic, political, social or cultural activities where the general welfare of beneficiary families and communities are improved. (past use, interim construction, community grants).
- f. Funds are not subject to section 214, 215, 216 or 217 – all related to loan purpose uses.

4. HH Loan Fund - Estimated Revenue: \$200K

Types of Revenues to the Account

- a. Principal portion of the loan repayments on loans from fund

Types of Expenses made from the Account

- b. Payouts on net proceeds payments to acquire lessee improvements (section 209)
- c. Loans to lessees of homesteading leases and mercantile licenses (section 214)
 - i. Loans for repair/maintenance, purchase of permanent improvements
 - ii. Loans for livestock, farms, ranches, developing land, commercial purposes, etc
 - iii. Loans subject to conditions in section 215

5. HH General Loan Fund - Estimated Revenue: \$3.9M

Types of Revenues to the Account

- a. Principal portion of loan repayments on loans from fund
- b. Appropriations from the Legislature

Types of Expenses made from Account

- c. Payouts on net proceeds payments to acquire lessee improvements (section 209)
- d. Loans for to lessees of homesteading leases and mercantile licenses (section 214)
 - i. Loans for repair/maintenance, purchase of permanent improvements
 - ii. Loans for livestock, farms, ranches, developing land, commercial purposes, etc

- iii. Loans subject to conditions in section 215 plus stated farm loan conditions
- e. Commitment of loan guarantees
- f. Repayment of funds borrowed from govt agencies or financial institutions for section 214

6. HH Receipts Fund - Estimated Revenue: \$4M

Purpose:

- a. Receive all interest revenue for transfer to respective funds where revenue earned. Funds may be transferred to the Administrative or Operating Accounts with HHC Approval, if not, Admin Rules require funds to transfer to Loan Fund account

7. HH Trust Fund - Estimated Revenue: \$0

Purpose:

- a. A reserve fund for FHA/VA loan guarantees

8. HH Lands Trust Fund - Estimated Revenue: \$0 (Act 14 Ends)

Types of Revenues to the Account

- a. Appropriations from the Legislature under Act 14 for lands taken from 1959-1988
- b. Other Appropriations from the Legislature
- c. Interest earnings from the fund

Types of Expenses made from the Account

- d. Capital Improvements
- e. Other purposes undertaken in furtherance of the HHCA
- f. Must annual report to Legislature and Beneficiaries
- g. HHC may invest outside state treasury

9. Revenue Bond Special Fund - Estimated Revenue: \$3M

Types of Revenues to the Account

- a. Interest on fund balances
- b. Other (e.g. OHA)

Types of Expenses made from Account

- c. Debt service payments
- d. Excess funds may be transferred to Administration Account with HHC Approval