

Honolulu, Hawaii

MAR 23 2006

RE: H.B. No. 1891  
H.D. 2  
S.D. 1

Honorable Robert Bunda  
President of the Senate  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committee on Education and Military Affairs, to which was referred H.B. No. 1891, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO EDUCATION,"

begs leave to report as follows:

The purpose of this measure is to address the Department of Education repair and maintenance backlog by increasing the amount of money deposited into the State Educational Facilities Improvement special fund (SEFI Fund).

Your Committee received testimony in support of this measure from the Department of Education (DOE). Testimony in opposition to this measure were received from the Department of Budget and Finance and the Department of Taxation. Comments were submitted by the Tax Foundation of Hawaii.

Your Committee finds the DOE has an existing repair and maintenance backlog of \$525,000,000 which amount increases by \$75,000,000 each year due to normal wear and tear. Your Committee further finds that moneys deposited into the SEFI Fund become immediately available to the DOE, whereas moneys appropriated through the regular CIP process may or may not be released by the Executive Branch. In addition, it is appropriate for the DOE to be accountable for the increase in funding. As such, your Committee finds that DOE expenditures should be subject to performance-based reporting to the Legislature, including an

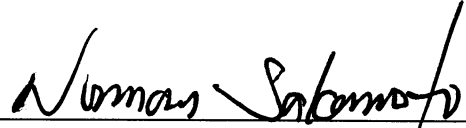


initial proposed budget, and then subsequent assessments made at the beginning and at the end of each year.

Your Committee has amended this measure by adding information in the purpose section regarding the extent of the DOE repair and maintenance backlog, and by making the effective date July 1, 2006.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1891, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1891, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Education and  
Military Affairs,

  
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NORMAN SAKAMOTO, Chair



