

Honolulu, Hawaii

MAR 19 2007

RE: H.B. No. 13
H.D. 1
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Education, to which was referred H.B. No. 13, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO EDUCATION,"

begs leave to report as follows:

The purpose of this measure is to provide support to the Department of Education's Food Distribution Program through the establishment of a revolving fund, which would be sustained through revenues generated from administrative fees for services rendered by state contracted warehouses for the distribution of federal commodity foods to recipient agencies.

Testimony in support of this measure was submitted by the Department of Education. Testimony in opposition to this measure was submitted by the Department of Budget and Finance.

Your Committee finds that commodity foods are provided by the Department of Education to agencies, including public schools, private schools, and other state institutions, that participate in the National School Lunch Program. These commodity foods are stored in warehouses within the State. Currently, the Department of Education is prohibited from using federal funds for fees associated with state contracted warehouses for the storage of commodity foods. Your Committee determines that the costs associated with the warehouse charges are becoming increasingly large, thereby necessitating a means by which they can be paid separate from passing along the cost to the recipient agencies.



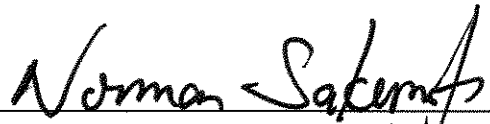
This measure establishes a revolving fund into which fees collected for, interest earned on, and other moneys associated with the Department of Education's Food Distribution Program may be deposited and utilized to allow the program to become self-sustaining. The Senate previously heard a Senate measure, Senate Bill No. 94, S.D. 1, similar to this measure and believes that its provisions are appropriate for achieving the intent of this measure.

Accordingly, your Committee has amended this measure by including the provisions of Senate Bill No. 94, S.D. 1, which make the following changes to this measure:

- (1) Appropriates the specific sum of \$2,000,000 for each fiscal year of the 2007-2009 biennium from the Food Distribution Program Revolving Fund;
- (2) Changes the effective date of the Act from July 1, 2020, to July 1, 2007; and
- (3) Makes technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 13, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 13, H.D. 1, 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,


NORMAN SAKAMOTO, Chair



