

CONFERENCE COMMITTEE REP. NO.

175

Honolulu, Hawaii

May 1, 2007

RE: S.B. No. 1820  
S.D. 1  
H.D. 2  
C.D. 1

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

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 1820, S.D. 1, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF EDUCATION,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to allow the Department of Education to enter into financing agreements, with the concurrence of the Director of Finance, for which lease payments shall be paid through a separate account established within the State Educational Facilities Improvement Special Fund.

Your Committee on Conference finds that the children of Hawaii, their education, and future success are of great importance to the State. Currently, the need for the construction of new public schools is necessary to serve students in rapidly growing new communities, alleviate overcrowded schools, and replace schools in disrepair. With the many financial challenges facing various

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aspects of the state government, the Legislature must explore alternative methods for allowing the Department of Education to build the necessary new schools for public school students in the State. This measure will allow the Department of Education to partner with private developers through financing agreements to expedite the construction of new schools. However, your Committee on Conference further finds that clarification is necessary to maximize the ability of the Department of Education to enter into financing agreements for which funding has already been provided.

Upon further review, your Committee on Conference has amended this measure by:

(1) Specifying that any school:

- (A) To which the Legislature has appropriated planning and design funds prior to the effective date of the Act; and
- (B) For which a private developer is willing to enter into a lease purchase agreement with the Department of Education within a specified time,

shall be exempt from the requirement that expenditures from the Lease Payments for Schools Account be restricted to lease payments on new schools included within the Department of Education's current six-year capital improvements program and for which the Legislature has adopted a concurrent resolution or appropriated planning and design funds and specified that the remainder of costs are eligible for funding through a financing agreement;

- (2) Removing language that sought to change the limit on financing agreements entered into by the University of Hawaii from exceeding \$3,000,000; and
- (3) Changing the effective date to July 1, 2007.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1820, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1820, S.D. 1, H.D. 2, C.D. 1.



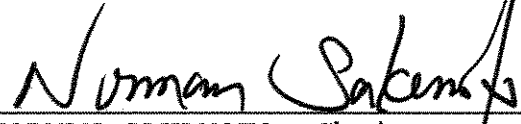
Respectfully submitted on behalf  
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



ROY TAKUMI, Co-Chair



NORMAN SAKAMOTO, Chair



MARCUS R. OSHIRO, Co-Chair



ROSALYN H. BAKER, Co-Chair



Hawaii State Legislature

Record of Votes of a  
Conference Committee

Bill / Concurrent Resolution No.: <b>SB 1820, SD 1, HD 2</b>	Date/Time: <b>4/27/07 11:29 AM</b>
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure

The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.

Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
SAKAMOTO, Norman, Chr.	✓				TAKUMI, Roy M., Co-Chr.	✓			
BAKER, Rosalyn H., Co-Chr.	✓				OSHIRO, Marcus R., Co-Chr.	✓			
NISHIHARA, Clarence K.	✓				NAKASONE, Bob	✓			
TSUTSUI, Shan S.				✓	FINNEGAN, Lynn	✓			
GABBARD, Mike	✓								
<b>TOTAL</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>

A = Aye      WR = Aye with Reservations      N = Nay      E = Excused

Senate Recommendation is:  
 Adopted       Not Adopted

House Recommendation is:  
 Adopted       Not Adopted

Senate Lead Chair's or Designee's Signature:  


House Lead Chair's or Designee's Signature:  


**Distribution:**      **Original**      **Yellow**      **Pink**      **Goldenrod**  
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