
A BILL FOR AN ACT

RELATING TO EDUCATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 **PART I**

2 SECTION 1. The legislature finds that Hawaii's children
3 deserve a quality education in a clean and safe environment.
4 Many schools have leaky roofs, termite-infested floors,
5 crumbling walls, and overheated classrooms. The legislature
6 further finds that there is a compelling need to immediately
7 fund the backlog of repair and maintenance projects in the
8 public schools.

9 In 2001, the legislature appropriated funds to help
10 mitigate the department of education's estimated \$640,000,000
11 backlog of repair and maintenance projects. In 2007, the
12 estimated backlog of repair and maintenance projects was
13 \$341,000,000, which included recurring major and minor repairs,
14 ongoing cycle maintenance, service and contract maintenance,
15 nonrecurring projects, and emergency repairs. Unfortunately,
16 due in part to the governor's decision not to release
17 \$140,000,000 previously approved by the legislature during past



1 legislative sessions for repair and maintenance projects for the
2 department of education, the backlog remains and continues to
3 increase. Since last year, the backlog has increased to
4 approximately \$420,000,000 and is expected to increase by an
5 additional \$75,000,000 during the upcoming fiscal year.

6 The administration has requested the general fund
7 appropriation of \$140,000,000 from the previous year be
8 converted to bond funding that would potentially lower the
9 backlog to \$280,000,000.

10 The purpose of this part is to reduce the backlog of repair
11 and maintenance projects within the public schools to a
12 manageable level of \$150,000,000. To meet this objective, this
13 part authorizes the issuance of general obligation bonds and
14 appropriates \$230,000,000 for repair and maintenance projects of
15 the department of education. This figure is comprised of the
16 aforementioned \$140,000,000, as well as \$32,000,000, (the
17 average amount necessary over the next four years to cover the
18 existing backlog), and \$58,000,000 (approximately three-fourths
19 of the \$75,000,000 of anticipated repair and maintenance for the
20 upcoming year). Additional general fund requirements will also
21 be needed to supplement the funds provided by this part.



1 SECTION 2. The director of finance is authorized to issue
2 general obligation bonds in the sum of \$230,000,000 or so much
3 thereof as may be necessary and the same sum or so much thereof
4 as may be necessary is appropriated for fiscal year 2008-2009
5 for the purpose of funding the department of education's repair
6 and maintenance projects.

7 The sum appropriated shall be expended by the department of
8 education for the purposes of this part.

9 **PART II**

10 SECTION 3. The University of Hawaii's physical plant has
11 accumulated a backlog of repairs and maintenance due to the lack
12 of general funds. This project includes reroofing, mechanical,
13 and electrical systems, renovations, resurfacing, repainting,
14 and other improvements and project costs to upgrade facilities
15 at all university campuses.

16 Facilities provide the centerpiece around which all other
17 educational activities exist at higher education institutions.
18 The total replacement value of all University of Hawaii
19 facilities is estimated at \$3,000,000,000. Therefore, it is
20 imperative to reinvest in the university's physical plant to
21 ensure that the physical infrastructure facilitates the mission
22 of the institution.



1 The role of repair and maintenance is to maintain the
2 physical infrastructure and facilities of our campuses so that
3 they are functional, architecturally sound, aesthetically
4 pleasing, and in compliance with building and safety codes to
5 support quality instruction, research, student, and community
6 services programs.

7 The current backlog of repair and maintenance deficiencies
8 at the University of Hawaii totals \$257,000,000. The purpose of
9 this part is to reduce the backlog of repair and maintenance
10 projects at the University of Hawaii to a manageable level.
11 Each year an estimated \$50,000,000 of projects are added to the
12 repair and maintenance list. Repair and maintenance projects
13 can be funded entirely with general funds or through a
14 combination of general funds and bond funding.

15 The backlog of \$257,000,000 less \$75,000,000 totals
16 \$182,000,000. For a six-year plan this would reduce \$30,000,000
17 per year for this portion of the plan. In addition, sixty per
18 cent of the annual \$50,000,000 of added annual projects would be
19 \$30,000,000 of bonds to be augmented by \$20,000,000 of general
20 funds. For the bond portion only, this measure proposes adding
21 the first \$30,000,000 to the second \$30,000,000 for a total of
22 \$60,000,000.



1 SECTION 4. The director of finance is authorized to issue
2 general obligation bonds in the sum of \$60,000,000 or so much
3 thereof as may be necessary and the same sum or so much thereof
4 as may be necessary is appropriated for fiscal year 2008-2009
5 for the purpose of reducing the backlog of repair and
6 maintenance projects at the University of Hawaii system to
7 manageable levels.

8 The sum appropriated shall be expended by the University of
9 Hawaii for the purposes of this part.

10 SECTION 5. The sum appropriated under this part shall be
11 in addition to any other funds that may be appropriated for the
12 same purposes of this part.

13 **PART III**

14 SECTION 6. The appropriation made for the capital
15 improvement projects authorized by this Act shall not lapse at
16 the end of the fiscal biennium for which the appropriation is
17 made; provided that all moneys from the appropriation
18 unencumbered as of June 30, 2010, shall lapse as of that date.

19 SECTION 7. This Act shall take effect on July 1, 2008.



Report Title:

DOE; UH; Repair and Maintenance; GO Bonds

Description:

Authorizes the issuance of general obligation bonds to fund department of education and the University of Hawaii repair and maintenance projects. (SD1)

