

STAND. COM. REP. NO. 279 -08

Honolulu, Hawaii
Feb 11, 2008

RE: H.B. No. 2521
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir:

Your Committee on Higher Education, to which was referred
H.B. No. 2521 entitled:

"A BILL FOR AN ACT RELATING TO EDUCATION,"

begs leave to report as follows:

The purpose of this bill is to address the need to repair and maintain facilities of the University of Hawaii (UH) and ensure the availability of funds for such by creating a new UH Repair and Maintenance Account (Account) and requiring one percent of general funds to be deposited into the Account, together with interest earned on moneys in the Account and legislative appropriations.

UH, the chancellor of UH at Manoa, the interim athletic director of UH at Manoa, and several concerned individuals testified in support of this bill. The Department of Budget and Finance opposed this measure. A concerned individual offered comments.

Your Committee has amended this bill by:

- (1) Renaming the Account the UH Repair and Maintenance Special Account (Special Account);
- (2) Limiting the one percent of general revenues deposited into the Special Account to general revenues accrued during the fiscal period from July 1, 2008, through June 30, 2014;

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- (3) Deleting the provision that legislative appropriations be deposited into the Special Account;
- (4) Requiring general excise tax revenues deposited to the credit of the Compound Interest Bond Reserve Fund to be deposited into the Special Account;
- (5) Requiring moneys in the Special Account to be appropriated in a lump sum to give UH the discretion to identify the repair and maintenance projects to be funded;
- (6) Clarifying that this bill does not prohibit the appropriation and expenditure of general funds, general obligation bonds, or other sources of funds for the development of new UH facilities;
- (7) Specifying that the annual report to the Legislature is to be submitted beginning with the Regular Session of 2009, and is to include the planned repair and maintenance projects for the remaining fiscal years during which the Special Account is to receive moneys;
- (8) Specifying that no general revenues that accrue after June 30, 2014, are to be deposited into the Special Account;
- (9) Specifying that no general excise tax revenues are to be deposited into the Special Account after June 30, 2014;
- (10) Inserting a repeal date for the Special Account, which will be the day following the date of the last payment of moneys from the Special Account, and requiring the Attorney General to notify the President of the Senate, Speaker of the House of Representatives, and Revisor of Statutes of this date;
- (11) Expressing the Legislature's intent to authorize and appropriate, in each fiscal year of the fiscal period from July 1, 2008, through June 30, 2014, an additional minimum of \$50,000,000 in general obligation bonds to



fund the repair and maintenance of UH facilities, and require general excise tax revenues to be transferred to the Special Account if the minimum \$50,000,000 general obligation bond commitment falls short in any fiscal year;

- (12) Inserting an appropriation of \$50,000,000 out of the Special Account for the repair and maintenance of UH facilities as identified by UH, provided that all moneys from the appropriation unencumbered as of June 30, 2010, shall lapse back into the Special Account as of that date;
- (13) Authorizing the issuance of \$50,000,000 in general obligation bonds for the repair and maintenance of UH facilities as identified by UH, provided that all moneys from the appropriation unencumbered as of June 30, 2010, shall lapse as of that date;
- (14) Providing that the amendment made to section 237-31, Hawaii Revised Statutes, in this bill, shall not be repealed when that section is repealed and reenacted on June 30, 2008, by section 4 of Act 304, Session Laws of Hawaii 2006, and requiring that the same amendment be repealed on June 30, 2014; and
- (15) Making technical, nonsubstantive amendments for clarity, consistency, and style, including changing the purpose language to reflect the amendments made to the bill.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2521, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2521, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Higher Education,



JERRY L. CHANG, Chair



