

STAND. COM. REP. NO. **3065**

Honolulu, Hawaii

MAR 20 2008

RE: H.B. No. 2521
H.D. 2
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Education, to which was referred H.B.
No. 2521, 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 ensuring proper funding for
repair and maintenance projects of the University of Hawaii
facilities.

Specifically, this measure:

- (1) Requires one per cent of general revenues accrued from
July 1, 2008, to June 30, 2014, to be deposited into the
newly-created University of Hawaii Repair and
Maintenance Special Account for the repair and
maintenance of university facilities;
- (2) Expresses the Legislature's intent to authorize and
appropriate, in each fiscal year of the fiscal period
July 1, 2008, to June 30, 2014, at least an additional
\$50,000,000 in general obligation bonds for the repair
and maintenance of university facilities;
- (3) Provides that, if the \$50,000,000 in bonds is not
appropriated in a fiscal year, general excise tax
revenues to make up the shortfall shall be automatically
transferred to the special account;



- (4) States that the appropriations of special account moneys and general obligation bond funds shall be in lump sums so that the University of Hawaii has the discretion to identify the repair and maintenance projects that should be funded;
- (5) Appropriates \$50,000,000 from the special account in fiscal year 2008-2009 for the repair and maintenance of university facilities; and
- (6) Authorizes and appropriates \$50,000,000 in general obligation bonds for the repair and maintenance of university facilities.

Testimony in support of the measure was submitted by the University of Hawaii System; the University of Hawaii at Manoa; the University of Hawaii at Manoa Athletics Department; the College of Languages, Linguistics, and Literature of the University of Hawaii at Manoa; the University of Hawaii Student Caucus; Ho'opili, D.R. Horton, Schuler Division; and fourteen individuals. Testimony in opposition of the measure was submitted by the Department of Budget and Finance and the Department of Taxation. Comments on the measure were also submitted by the Tax Foundation of Hawaii and two individuals.

Your Committee finds that a significant backlog of repair and maintenance projects exists in our public schools, including the University of Hawaii System. As the State's sole public system of higher education, efforts must be made to ensure that it remains a system of premier institutions of higher learning that will rival the elite universities of this nation through the provision of safe and modern facilities for its students. This measure establishes the Legislature's commitment to properly funding existing and anticipated repair and maintenance projects of the University of Hawaii in the present, as well as in the future.

Your Committee believes that additional funding is necessary to help to alleviate the current backlog of repair and maintenance projects within the University of Hawaii System to attempt to lower them to manageable levels. Your Committee believes that additional funding provided through the authorization for the issuance of general obligation bonds is necessary to help to alleviate the current backlog, while also ensuring that



improvements to the university athletics facilities are made a priority as well.

Additionally, your Committee finds that the establishment of an Academy of Creative Media at the University of Hawaii West Oahu campus is necessary and appropriate to support a broad range of twenty-first century development and jobs, such as creative media, high technology and alternate energy ventures, and dual use and science-technology applications.

Accordingly, your Committee has amended this measure by deleting its contents and replacing it with the contents of S.B. Nos. 2820, S.D. 1, and 3168, S.D. 2, which accomplishes the following:

- (1) Authorizes the issuance of general obligation bonds to fund University of Hawaii repair and maintenance projects; provided that a portion of the funds are allocated to the University of Hawaii athletics facilities;
- (2) Establishes the Academy for Creative Media program in statute under the University of Hawaii; and
- (3) Amends Act 11, Special Session Laws of Hawaii 2007, to delete all references to a lease agreement with PBS Hawaii, to delete the references to equipment and installation in the appropriation section, and to clarify that funds appropriated shall be expended to expand programs and facilities of the Academy for Creative Media program statewide.

Your Committee has also amended the effective date of the measure.

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. 2521, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2521, 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,

Norman Sakamoto

NORMAN SAKAMOTO, Chair



