

STAND. COM. REP. NO.

2972

Honolulu, Hawaii

MAR 18 2008

RE: H.B. No. 602
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. 602, 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 require that \$90,000,000 continue to be deposited into the state treasury in each fiscal year to the credit of the State Educational Facilities Improvement Special Fund for public school capital improvement needs.

Testimony in support of the measure was submitted by the Department of Education, the Hawaii State Teachers Association, Na Lei Na'auao Native Hawaiian Charter School Alliance, and the Hawai'i Charter School Network. Testimony in opposition of the measure was submitted by the Department of Budget and Finance. Comments were received from the Tax Foundation of Hawaii.

Your Committee finds that, pursuant to Act 368, Session Laws of Hawaii 1989, the Legislature established the State Educational Facilities Improvement Special Fund to earmark tax revenues for school facilities improvements. Subsequently, in 1999, the original revenue deposit amount of \$90,000,000 was reduced to \$45,000,000, then reinstated to \$90,000,000 in 2006. The current \$90,000,000 deposit amount will again be reduced to \$45,000,000 on June 30, 2008. This measure ensures that \$90,000,000 continue to be deposited into the state treasury in each fiscal year to the credit of the State Educational Facilities Improvement Special

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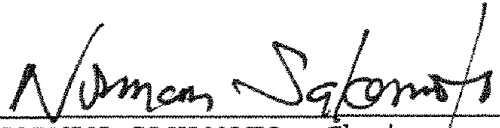


Fund for public school capital improvement needs. Your Committee determines that the tremendous backlog of repair and maintenance projects, which continues to grow, plaguing public schools throughout State requires sustained revenue commitments to ensure the delivery of quality public education to students throughout the State. However, funding priorities of the State should not be unduly or unnecessarily hampered as a result of such funding.

Accordingly, your Committee has amended this measure by extending the repeal date of the law to continue to provide \$90,000,000 in tax revenues to the State Educational Facilities Improvement Special Fund for school facilities improvements until July 1, 2012.

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. 602, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 602, 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, Chair



