

Honolulu, Hawaii

FEB 12 2007

RE: S.B. No. 690  
S.D. 1

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

Madam:

Your Committee on Education, to which was referred S.B. No. 690 entitled:

"A BILL FOR AN ACT RELATING TO SCHOOL CLOSURES OR CONSOLIDATIONS,"

begs leave to report as follows:

The purpose of this measure is to determine the cost effectiveness of closing or consolidating public schools.

Specifically, the measure requires the Department of Education to conduct a cost-benefit analysis to determine the expected cost savings associated with school closures or consolidation.

Testimony in opposition to this measure was submitted by the Department of Education (DOE). Comments on the measure were submitted by the Hawaii Government Employees Association and the Land Use Research Foundation of Hawaii.

Upon review of the measure and the testimony submitted, your Committee has amended the purpose of this measure to establish a task force on school closures or consolidation to conduct a cost-benefit analysis to determine the cost savings, compensation, and a process for school closures or consolidation and to appropriate funds for that purpose.

Your Committee finds that school closures or consolidation are of great concern to the students, families, and communities



affected. Due consideration must be given to economic and non-economic costs and benefits of school closures or consolidation to ensure that any action taken is not only cost-effective and efficient, but also that such action is beneficial to the stakeholders, particularly the students. Your Committee believes that some type of compensation or assurances should be provided to the affected students of school closures or consolidations; however, testimony provided indicated concern over the provision in the measure that provided fifty per cent of the fiscal savings realized through a school closure or consolidation would be retained by the new configuration of affected schools. Your Committee has addressed these concerns by establishing a task force to conduct a study on the costs and benefits of school closures or consolidation and to make recommendations on how to appropriately compensate affected students and schools and establish a permanent process for school closures or consolidation in the future.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the new section requiring the DOE to conduct a cost-benefit analysis to determine the expected cost savings of a school closure or consolidation and requiring fifty per cent of the fiscal savings realized through a school closure or consolidation to be retained by the new configuration of affected schools;
- (2) Establishing a task force on school closures or consolidation that is tasked with:
  - (A) Conducting a cost-benefit analysis to determine the cost savings of each school closure or consolidation, taking into account both economic and non-economic costs and benefits;
  - (B) Recommending provisions to ensure affected students are appropriately compensated, including through receiving access to additional programs or services as a result of a school closure or consolidation; and
  - (C) Making recommendations for a permanent process for evaluating and determining which schools are appropriate for closure or consolidation, including



criteria for, timelines for, and who should conduct the evaluations; and

- (3) Making an appropriation to support the operations of the school closure or consolidation task force.

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 S.B. No. 690, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 690, 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



The Senate  
 Twenty-Fourth Legislature  
 State of Hawaii

**Record of Votes**  
**Committee on Education**  
**EDU**

Bill / Resolution No.:* <i>SB 690</i>	Committee Referral: <i>EDU, WAM</i>	Date: <i>02/02/07</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
SAKAMOTO, Norman (C)	X			
TOKUDA, Jill N. (VC)	X			
CHUN OAKLAND, Suzanne				X
HEE, Clayton	X			
NISHIHARA, Clarence K.				X
TANIGUCHI, Brian T.				X
GABBARD, Mike	X			
<b>TOTAL</b>	<b>4</b>			<b>3</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>[Signature]</i>				
Distribution:             Original             Yellow             Pink File with Committee Report             Clerk's Office             Drafting Agency				

\*Only one measure per Record of Votes