

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 602, H.D. 1

February 26, 2008

RELATING TO EDUCATION

This bill seeks to repeal the sunset date of June 30, 2008, for Act 304, SLH 2006, Relating to Education, which increased the amount of general excise tax revenues required to be deposited into the State Educational Facilities Improvement special fund each fiscal year from \$45 million to \$90 million for public school capital improvement program needs.

We oppose this bill.

Any proposal to provide mandatory revenue diversion of funds limits the State's ability to fund priorities and could negatively impact the State's general fund financial plan. We urge this committee to instead follow the more financially sound approach of providing funding for public school capital improvement requirements based on need, funding ability, and statewide priorities.