

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON EDUCATION
ON
SENATE BILL NO. 2665

January 28, 2008

WRITTEN TESTIMONY

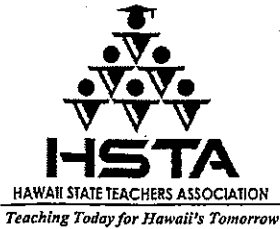
RELATING TO EDUCATION

Senate Bill No. 2665 establishes a Real Property and Facilities Use Revolving Fund under the Department of Education for the deposit of funds from the use of Department of Education real properties and facilities. The proposed fund would be used to pay the costs of operating department facilities, including administrative expenses, salaries, wages, and benefits to employees, contractor services, supplies, security, furnishings, equipment, janitorial services, insurance, utilities, and other operational expenses. Revenues not expended may be transferred to other department funds to be invested or expended for the administrative or overhead costs of the department. All expenditures from this revolving fund shall be subject to legislative appropriation. The bill also contains an unspecified appropriation for the expenditure for the proposed revolving fund.

We do not support this bill. As a matter of general policy, this department does not support the creation of any special or revolving fund which does not meet the requirements of Section 37-52.3 of the Hawaii Revised Statutes. Special or revolving funds should:

- 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program;
- 2) provide an appropriate means of financing for the program or activity;
- and 3) demonstrate the capacity to be financially self-sustaining.

It is difficult to determine whether the proposed fund meets any of the above criteria.



1200 Ala Kapuna Street • Honolulu, Hawaii 96819
Tel: (808) 833-2711 • Fax: (808) 839-7106 • Web: www.hsta.org

Roger K. Takabayashi
President

Wil Okabe
Vice President

Carolyn Mossman
Secretary/Treasurer

Mike McCartney
Executive Director

LATE TESTIMONY

TESTIMONY BEFORE THE SENATE COMMITTEE ON EDUCATION

RE: SB 2665 – RELATING TO EDUCATION

January 28, 2008

ROGER TAKABAYASHI, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

Chair Sakamoto and Members of the Committee:

The Hawaii State Teachers Association strongly supports SB 2665. Currently, the University of Hawaii is given the autonomy to use its real property and facilities revenues as a revolving fund pursuant to HRS 304A-2274.

We believe the Department of Education should be given the same autonomy and allowed to create a revolving fund supported by rental and other fees obtained for the use of DOE facilities, which funds may be used at the discretion of the Department. For instance, the fund may be used for recruiting and retention of teachers, facility infrastructure improvements, and other means for the betterment of public education.

We understand the Department may not be able to implement the measure immediately due to the amount of work and manpower needed to get the fund started. We would defer the decision regarding implementation to the Department of Education at their discretion.

We strongly urge the committee to pass this bill.

Thank you for the opportunity to testify.