

Date of Hearing: Thursday, March 25, 2010

Committee: House Committee on Finance

Person Testifying: Garrett Toguchi, Chairperson, Board of Education

Title of Bill: S.B. No. 2256, S.D. 1, Relating to the Department of Education

Purpose of Bill: Authorizes the Department of Education to assess fees for parking on roadways and in parking areas under its jurisdiction, and to adopt administrative rules relating to the assessment and collection of fees for parking. Specifies that the fees collected shall be deposited into an existing fund into which fees and charges assessed and collected by the Department of Education for the use of school facilities are deposited. Provides that any parking fees assessed and collected by schools shall be deposited to the credit of the school's nonappropriated local school fund account.

Board's Position: Chairperson Oshiro, Vice Chairperson Lee, and members of the House Committee on Finance, thank you for the opportunity to testify on S.B. No. 2256, S.D. 1.

The Board of Education (Board) supports S.B. No. 2256, S.D. 1.

This bill would allow the Department of Education (DOE) to assess fees for parking on roadways and in parking areas under the DOE's jurisdiction. This bill would also authorize DOE to adopt administrative rules for the assessment and collection of fees for parking under its jurisdiction.

Under existing statutes and administrative rules, schools and the DOE are unable to assess fees for parking on school and other DOE property. This bill provides a means to generate an additional source of revenue to benefit public education and public schools. Under the bill, any parking fees assessed by schools would be deposited to the credit of the respective school's nonappropriated local school fund account. Parking fees assessed and collected would be deposited into an existing fund into which fees and charges assessed and collected by the DOE for the use of school facilities are deposited.

The Board notes that S.B. No. 2256, S.D. 1 includes a provision that would enable DOE to contract with the Department of Accounting and General Services or a private entity to implement the parking provisions. This would provide DOE with the flexibility and ability to contract such services if it so chooses.

The Board believes that the assessment of parking fees on roadways and in parking areas under the DOE's jurisdiction will provide an additional revenue source for public education. In these fiscally austere times, S.B. No. 2256, S.D. 1 is particularly worthy of

consideration to support efforts to mitigate the impact of budget reductions and restrictions on public education and schools.

Thank you for the opportunity to testify on this measure.

WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON FINANCE
ON
SENATE BILL NO. 2256, S.D. 1

March 25, 2010

RELATING TO THE DEPARTMENT OF EDUCATION

Senate Bill No. 2256, S.D. 1, 1) authorizes the Department of Education to assess fees for parking in roadways and other areas under its jurisdiction; 2) provides that the parking fees shall be deposited into the special fund for the use of school facilities, to the credit of each school's non-appropriated local school fund account; and 3) allows the Department of Education to contract with the Department of Accounting and General Services or a private entity to implement the parking fee program.

As a matter of general policy, this department does not support any special 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 bill meets any of these criteria.