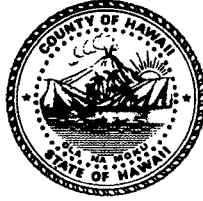


SB2433

William P. Kenoi
Mayor



Nancy E. Crawford
Director

Deanna S. Sako
Deputy Director

County of Hawaii

Finance Department

25 Aupuni Street, Suite 2103 • Hilo, Hawaii 96720
(808) 961-8234 • Fax (808) 961-8248

February 2, 2010

The Honorable Norman Sakamoto, Chair
and Members of the Senate Committee Education and Housing
The Honorable J. Kalani English, Chair
and Members of the Senate Committee on Transportation,
International and Intergovernmental Affairs
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

Dear Chairs Sakamoto and English and Members of the Committees:

RE: Testimony in Opposition to S.B. 2433, Relating to Community Facilities Districts and Educational Services
Hearing Monday, February 8, 2010, at 1:15 p.m., Conference Room 225

Hawai'i County opposes S.B. 2433, which seeks to add educational services districts to legislation on community facilities districts. From an implementation standpoint, combining authority for a service district with the existing section on community facilities districts is confusing. The two are very different types of districts. The current community facilities district section provides for districts forming primarily to issue bonds and build infrastructure, with special taxes paying the debt service. The proposed districts would be formed to collect special taxes for education services, and the administration would be quite different. Should the legislature determine to create such authority, it should be in a separate section of the statutes.

Thank you for your attention to our concerns. We urge you to not pass S.B. 2433.

Sincerely,

Nancy Crawford
Director of Finance



February 8, 2010

The Honorable Norman Sakamoto, Chair
Committee on Education and Housing
The Honorable Kalani English, Chair
Committee on Transportation, International and Intergovernmental Affairs
State Senate
State Capitol, Room 225
Honolulu, Hawaii 96813

Dear Chairs Sakamoto and English, and Members:

Subject: Senate Bill No. SB 2433 Relating to the Counties

I am Karen Nakamura, Chief Executive Officer of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

BIA-HAWAII has concerns on S.B. No. 2433 and therefore opposes the bill.

The bill proposes to amend Chapter 46-80.1 HRS to allow for the use of community facilities district special taxes to include educational services, including teacher salaries.

While we understand the desire to find other innovative sources of revenue to support public education in Hawaii, our concern is on the appropriateness of using the community facilities districts to fund public education.

Currently, community facilities districts are used to fund basic government infrastructure that are determined to have a "regional benefit." The area receiving the benefit is then assessed an additional fee through the community facilities district tax (i.e. similar to an addition on real property taxes or an improvement district). The theory is the area receiving the benefit pays for it through the community facilities district.

Our understanding is that one of the underlying reasons for a state-wide school system and not a local school district is to ensure that there is an even or equitable funding of public education throughout the state regardless of density of the population in the surrounding communities.

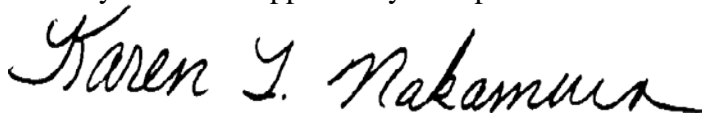
Employing community facility districts to finance public education would appear to be step toward more independent local school districts which essentially would then have taxing powers within their individual community.

This would require more than a simple change to Chapter 46 but a more comprehensive change in the funding and administration of the State Public Education System and the various Counties.

We believe that this discussion would be more appropriate in a comprehensive reorganization of the public education system in Hawaii.

As such, we are unable to support this bill at this time.

Thank you for this opportunity to express our views.

A handwritten signature in black ink that reads "Karen I. Nakamura". The signature is written in a cursive, flowing style.

Chief Executive Officer
BIA-Hawaii



February 8, 2010

The Honorable Norman Sakamoto, Chair
Committee on Education and Housing
The Honorable Kalani English, Chair
Committee on Transportation, International and Intergovernmental Affairs
State Senate
State Capitol, Room 225
Honolulu, Hawaii 96813

Dear Chairs Sakamoto and English, and Members:

Subject: Senate Bill No. SB 2433 Relating to the Counties

My name is Jim Tollefson, President of the Chamber of Commerce of Hawaii. The Chamber of Commerce of Hawaii works on behalf of its members and the entire business community to:

- Improve the state's economic climate
- Help businesses thrive

The Chamber has concerns on S.B. No. 2433.

The bill proposes to amend Chapter 46-80.1 HRS to allow for the use of community facilities district special taxes to include educational services, including teacher salaries.

While we understand the desire to find other innovative sources of revenue to support public education in Hawaii, our concern is on the appropriateness of using the community facilities districts to fund public education.

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Thank you for this opportunity to express our views.

SB 2433 Testimony

My wife Jackie and I are residents of Kihei. Our daughter Alexa attends the local elementary school and is in Kindergarten. This year she has missed a considerable number of school days due to the State budget crisis.

There is considerable outrage in the local community of parents in Kihei. Education is a priority to most families and many do not have the means to have their kids at home one or sometimes two work days each week.

The State apparently does not have stable source of funding for schools and/or is not able to negotiate effectively with the unions.

I am in favor of SB2433 since it

- 1. Provides new funding for local schools*
- 2. Allows local communities a voice in how new money is spent*
- 3. Provides a more stable and dedicated source of funding not subject to state budget problems or politics.*
- 4. Provides property tax funding which is more stable than income taxes or excise taxes*
- 5. Requires local campaigns to debate and address education issues in the local communities.*
- 6. Is based on California special tax legislation that has been successfully used to fund school costs.*
- 7. Provides a means to fund capital improvements*
- 8. Does not require the creation of a new level of government.*
- 9. Provide one more viable way to fund schools*

I have worked in public finance for 29 years as a government finance official, investment banker and ,since 1990, as an independent financial advisor to local public agencies. My firm has represented large and small school districts, cities, counties and other special districts on finance

matters. I have been directly involved in the creation of many special taxing districts such as the one proposed in SB2433. This will work.

I am unable to be at the hearing today but hope this Bill is approved and added to the tool box of legislation that might benefit Hawaii.

Curt M de Crinis

Kihei, Hi

sakamoto2 - Erin

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 08, 2010 7:04 AM
To: EDH Testimony
Cc: mmmmahalo2000@aol.com
Subject: Testimony for SB2433 on 2/8/2010 1:15:00 PM

Testimony for EDH/TIA 2/8/2010 1:15:00 PM SB2433

Conference room: 225
Testifier position: oppose
Testifier will be present: No
Submitted by: Mike Moran
Organization: Individual
Address:
Phone:
E-mail: mmmmahalo2000@aol.com
Submitted on: 2/8/2010

Comments:
Please oppose this bill. Let us not permit government departments override care for our environment. Mahalo