

STAND. COM. REP. NO.

2326

Honolulu, Hawaii

FEB 17 2012

RE: S.B. No. 2348
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Education, to which was referred S.B. No. 2348 entitled:

"A BILL FOR AN ACT RELATING TO THE STATE EDUCATIONAL FACILITIES IMPROVEMENT SPECIAL FUND,"

begs leave to report as follows:

The purpose and intent of this measure is to repeal the state educational facilities improvement special fund effective July 1, 2013, and provide that any funds remaining in the state educational facilities improvement special fund or lease payment for schools account shall lapse to the general fund on July 1, 2014.

Your Committee received testimony in support of this measure from the Department of Budget and Finance. Your Committee received testimony in opposition to this measure from the Department of Education. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the state educational facilities improvement special fund was first established pursuant to Act 368, Session Laws of Hawaii 1989. Over the years, capital improvement projects for Department of Education facilities have generally been authorized and funded with state educational facilities improvement special fund monies, which are then supported through general obligation bond funds.



While your Committee recognizes the opposing concerns raised by the Department of Education and the Department of Budget and Finance, your Committee encourages further discussion on the necessity of retaining the state educational facilities improvement special fund.

Your Committee has amended this measure by:

- (1) Reinstating the state educational facilities improvement special fund;
- (2) Requiring the budget and supplemental budget submitted pursuant to sections 37-71 and 37-72, Hawaii Revised Statutes, to include financial requirements for general funds or general obligation bond funds for projects authorized by the state educational facilities improvement special fund; and
- (3) Changing the effective date to July 1, 2050, to ensure further discussion.

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. 2348, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2348, 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,



JILI TOKUDA, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Education
EDU

Bill / Resolution No.:* SB2348	Committee Referral: EDU, WAM	Date: 02-15-12		
<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
TOKUDA, Jill N. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
NISHIHARA, Clarence K.				✓
TANIGUCHI, Brian T.			✓	
SLOM, Sam	✓			
TOTAL	4	0	1	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes