

STAND. COM. REP. NO.

2097

Honolulu, Hawaii

FEB 09 2012

RE: S.B. No. 2598

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

Sir:

Your Committees on Education and Judiciary and Labor, to which was referred S.B. No. 2598 entitled:

"A BILL FOR AN ACT PROPOSING AMENDMENTS TO THE HAWAII STATE CONSTITUTION RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS,"

beg leave to report as follows:

The purpose and intent of this measure is to propose constitutional amendments to article VII, section 12, and article X, section 1, of the Hawaii State Constitution, to authorize the State to issue special purpose revenue bonds and use the proceeds from those bonds to assist charter schools, not-for-profit corporations that support charter schools, and community development financial institutions that support charter schools.

Your Committees received testimony in support of this measure from the Charter School Administrative Office, Office of Hawaiian Affairs, Hawaii Association of Independent Schools, Hawaii Public Charter School Network, Lei Ho'olaha Community Development Financial Institution, Kanu O Ka 'Aina Learning 'Ohana, Hawaii Technology Academy, and Voyager School Foundation. Your Committees received comments on this measure from the Department of Budget and Finance.

Your Committees find that funding for facilities is one of the charter school system's greatest needs. However, your Committees recognize the concerns raised by the Department of Budget and Finance and request that as this measure progresses, the Department provide clarification on whether:

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- (1) The organizations specified in this measure would qualify under federal law for tax-exempt financing; and
- (2) There is any funding mechanism to ensure adequate debt coverage for the issuance of special purpose revenue bonds on behalf of charter schools.

As affirmed by the records of votes of the members of your Committees on Education and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2598 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committees on Education and  
Judiciary and Labor,



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CLAYTON HEE, Chair



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JILL TOKUDA, Chair



The Senate  
 Twenty-Sixth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Education**  
**EDU**

Bill / Resolution No.:* <b>SB2598</b>	Committee Referral: <b>EDU/JDL, WAM</b>	Date: <b>2-3-12</b>		
<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 checked="" type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> <sup>WAM</sup> 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	✓			
<b>TOTAL</b>	<b>5</b>	<b>1</b>	<b>0</b>	<b>0</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes

The Senate  
 Twenty-Sixth Legislature  
 State of Hawai'i

Record of Votes  
 Committee on Judiciary and Labor  
 JDL

Bill / Resolution No.:* <i>SB 2598</i>	Committee Referral: <i>EDU/JDL, WAM</i>	Date: <i>2/3/12</i>
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The committee is reconsidering its previous decision on this measure.  
 If so, then the previous decision was to: \_\_\_\_\_

The Recommendation is:

Pass, unamended 2312    
  Pass, with amendments 2311    
  Hold 2310    
  Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	✓			
SHIMABUKURO, Maile (VC)	✓			
GABBARD, Mike	✓			
IHARA, Jr., Les				✓
SLOM, Sam	✓			
<b>TOTAL</b>	<i>4</i>			<i>1</i>

Recommendation:    
 Adopted    
 Not Adopted

Chair's or Designee's Signature:

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