

TESTIMONY BY KALBERT K. YOUNG  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
HOUSE BILL NO. 2626, H.D. 2, S.D. 1

March 29, 2012

RELATING TO SAFE ROUTES TO SCHOOL

House Bill No. 2626, H.D. 2, S.D. 1, establishes the Safe Routes to School Program within the Department of Transportation to enhance traffic safety around Hawaii's schools. A Program Coordinator position will be established within the Department of Transportation that, along with the Director, will be tasked with the overall coordination of the program including maximizing the participation of stakeholders, and training volunteer workshop facilitators and potential grant requestors. Proceeds from fine surcharges resulting from traffic violations related to the operation of motor vehicles and to speeding in school zones are to be deposited into a new Safe Routes to School Program special fund and distributed by the Director of Transportation to the counties. Not less than 10 percent and not more than 30 percent of the funds shall be used for non-infrastructure related activities.

The Department of Budget and Finance takes no position on creation of the Safe Routes to School Program. However, as a matter of general financial policy, the department does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, Hawaii Revised Statutes. Special or revolving funds should: 1) reflect a clear nexus between 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. In regards to House Bill No. 2626, H.D. 2, S.D. 1, it is difficult to determine whether the new fund will be self-sustaining or that there is a clear nexus between benefits sought and charges made upon the driving public. It should be also noted that this bill does not contain any appropriation for the new special fund.

I encourage the Legislature to scrutinize the fiscal and operational plan for this program to ensure that it does conform to the requirements of Section 37-52.3, Hawaii Revised Statutes.