H.B. NO. H.D. 3 S.D. 2

A BILL FOR AN ACT

RELATING TO HIGHER EDUCATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

Hawaii currently has a backlog of deferred repair and maintenance projects totaling over \$460,000,000. Simply complying with building code and health and safety requirements across all campuses of the University of Hawaii will cost over \$38,000,000 in fiscal year 2013-2014 and an additional \$38,000,000 in fiscal year 2014-2015. These costs do not include the additional \$50,000,000 to \$60,000,000 in repair and maintenance costs necessary to maintain all of the university campuses yearly. The legislature further finds that eighty-five thousand students use facilities at university campuses systemwide. It is essential to the future of the University of Hawaii and its students and faculty that a safe and proper learning environment be provided and maintained. The legislature declares that the backlog of deferred repair and maintenance projects of the University of Hawaii HB115 SD2 LRB 13-2573.doc	1	PART I		
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- 1 system is a matter of statewide concern and therefore subject to
- 2 the purview of the legislature pursuant to article X, section 6,
- 3 of the Hawaii state constitution. Accordingly, the purpose of
- 4 this Act is to establish a means to fund necessary repair and
- 5 maintenance projects at University of Hawaii campuses statewide.
- 6 PART II
- 7 SECTION 2. Chapter 304A, Hawaii Revised Statutes, is
- 8 amended as follows:
- 9 1. By adding a new subpart to part VI, to be appropriately
- 10 designated and to read:
- 11 . Campus Planning Facility Board
- 12 §304A-A Campus planning facility board; established. (a)
- 13 There is established within the University of Hawaii a campus
- 14 planning facility board that shall consist of the chancellors
- 15 from each campus of the university or the chancellor's designee.
- 16 (b) The campus planning facility board shall evaluate,
- 17 identify, prioritize, and allocate moneys from the major repairs
- 18 and replacement special fund established under section 304A-B to
- 19 fund repair and maintenance projects of the university.
- (c) The campus planning facility board shall submit to the
- 21 legislature, no later than twenty days prior to the convening of
- 22 each regular legislative session, a report that includes:



1	(1)	A schedule showing all sources of funds of the major
2		repairs and replacement special fund established under
3		section 304A-B, all amounts deposited into the special
4		fund, and the dates such amounts were deposited;
5	(2)	A schedule showing all repair and maintenance project
6		expenses by project, including all work in progress,
7		as applicable;
8	(3)	A schedule showing all projects completed in the
9		previous year, including the final cost for each
10		completed project; and
11	(4)	An updated list detailing all remaining repair and
12		maintenance projects on all university campuses
13		statewide.
14	(d)	The campus planning facility board shall adopt rules
15	without r	egard to chapter 91 to effectuate this section and to
16	administe	r the major repairs and replacement special fund."
17	2.	By adding a new section to part V, subpart C, to be
18	appropria	tely designated and to read:
19	" <u>§</u> 30	4A-B Major repairs and replacement special fund; major
20	repairs a	nd replacement fee; established. (a) There is
21	establish	ed the major repairs and replacement special fund, into
22	which sha	ll be deposited:

1	(1)	Beginning July 1, 2018, moneys collected from the			
2		major repairs and replacement fee, which shall consist			
3		of per cent of all gross revenues received by			
4		the University of Hawaii, except as provided by law;			
5		provided that for the purposes of the major repairs			
6		and replacement fee, revenues shall be considered			
7		received immediately upon receipt, whether			
8		constructive or actual, of such revenues by the			
9		university; provided further that no amounts from			
10		special funds from which repair and maintenance costs			
11		are already funded shall be included in the total			
12		gross revenue amount;			
13	(2)	Appropriations by the legislature to the special fund;			
14		and			
15	(3)	Gifts, donations, and grants from public agencies and			
16		private persons.			
17	(b)	The major repairs and replacement fee shall be			
18	deducted	from gross revenues and deposited into the major			
19	repairs a	and replacement special fund at the beginning of each			
20	fiscal qu	marter.			
21	<u>(c)</u>	The major repairs and replacement special fund shall			
22	be used s	olely to fund repair and maintenance projects on the			
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T	universit	y.s ı	backlog list that have been approved for funding b
2	the campu	s pla	anning facility board and that have an estimated
3	useful li	fe o	f no less than two years.
4	(d)	The	major repairs and replacement special fund shall
5	be admini	ster	ed by the campus planning facility board
6	establish	ed pı	ursuant to section 304A-A."
7			PART III
8	SECT	ION 3	3. (a) The University of Hawaii shall conduct a
9	financial	and	statutory review of:
10	(1)	The	impact of the deduction of five per cent of all
11		gros	ss revenues received by the University of Hawaii
12		for	deposit into the major repairs and replacement
13		spec	cial fund as provided in section 304A-B, Hawaii
14		Rev	ised Statutes; and
15	(2)	All	university special funds to:
16		(A)	Identify special funds that have either state or
17			federal prohibitions against the transfers
18			required by section 4 of this Act;
19		(B)	Identify those special funds from which repair
20			and maintenance is already funded; and
21		(C)	Examine whether the university's special funds
22			will have sufficient revenues to carry out their

1	statutory purposes after the transfers required
2	by section 4 of this Act.
3	(b) The University of Hawaii shall report its findings and
4	recommendations, including any proposed legislation, to the
5	legislature no later than twenty days prior to the convening of
6	the regular session of 2014.
7	PART IV
8	SECTION 4. Notwithstanding any law to the contrary, the
9	director of finance shall deduct the following amounts from all
10	special funds of the University of Hawaii:
11	(1) per cent of the balances of all special
12	funds for fiscal year 2015-2016; and
13	(2) per cent of the balances of all special
14	funds for fiscal year 2016-2017,
15	which deductions shall be transferred and deposited into the
16	major repairs and replacement special fund established under
17	section 304A-B, Hawaii Revised Statutes; provided that no funds
18	shall be deducted from special funds from which repair and
19	maintenance costs are already funded; provided further that this
20	transfer of funds shall not apply to any trust, special, or
21	revolving fund of the University of Hawaii for which federal or
22	state law prohibits such a transfer. All officers of the State
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- $oldsymbol{1}$ and other persons having power to allocate or disburse any
- 2 special funds shall cooperate with the director of finance in
- 3 effectuating these transfers.
- 4 PART V
- 5 SECTION 5. The director of finance is authorized to issue
- 6 general obligation bonds in the sum of \$ or so much
- 7 thereof as may be necessary and the same sum or so much thereof
- 8 as may be necessary is appropriated for fiscal year 2013-2014,
- 9 the revenues of which shall be deposited into the major repairs
- 10 and replacement special fund established under section 304A-B,
- 11 Hawaii Revised Statutes; provided that proceeds from the
- 12 issuance of such bonds shall be expended only upon projects that
- 13 serve a public purpose.
- 14 SECTION 6. The director of finance is authorized to issue
- 15 general obligation bonds in the sum of \$ or so much
- 16 thereof as may be necessary and the same sum or so much thereof
- 17 as may be necessary is appropriated for fiscal year 2014-2015,
- 18 the revenues of which shall be deposited into the major repairs
- 19 and replacement special fund established under section 304A-B,
- 20 Hawaii Revised Statutes; provided that proceeds from the
- 21 issuance of such bonds shall be expended only upon projects that
- 22 serve a public purpose.



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- 2 SECTION 7. In codifying the new sections added by section
- 3 2 of this Act, the revisor of statutes shall substitute
- 4 appropriate section numbers for the letters used in designating
- 5 the new sections in this Act.
- 6 SECTION 8. New statutory material is underscored.
- 7 SECTION 9. This Act shall take effect on July 1, 2050.

Report Title:

University of Hawaii; Repair and Maintenance; Bonds

Description:

Establishes the campus planning facility board, major repairs and replacement special fund, and major repairs and replacement fee to address University repairs and maintenance. Transfers special fund moneys to the new special fund in fiscal years 2015-2016 and 2016-2017. Authorizes the issuance of general obligation bonds. Effective 07/01/2050. (SD2)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.