
HOUSE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF BUDGET AND FINANCE TO CONVENE A
WORKING GROUP TO STUDY THE FEASIBILITY OF IMPOSING A SCHOOL
FACILITY FEE ON RESIDENTIAL PROPERTY.

1 WHEREAS, the State of Hawaii has two hundred sixty public
2 school campuses and the average age of their buildings is sixty-
3 five years old; and

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5 WHEREAS, the State of Hawaii only spends approximately
6 \$210,000,000 in each year of the fiscal biennium on putting
7 money back into its public schools through repair and
8 maintenance; and

9
10 WHEREAS, when compared to the number of public school
11 students in Hawaii, the amount of money the State spends on
12 repair and maintenance represents only approximately \$200 per
13 pupil, versus many schools on the mainland that spend between
14 \$1,000 and \$1,200 per pupil on repairing and maintaining school
15 facilities; and

16
17 WHEREAS, due to the relatively small amount spent on repair
18 and maintenance per pupil, the State of Hawaii ranks fifty-first
19 in the nation (including the District of Columbia) in terms of
20 how much money is spent on capital improvement projects per
21 pupil; and

22
23 WHEREAS, the current backlog of capital improvement
24 projects is approximately \$266,000,000; and

25
26 WHEREAS, based upon current funding sources, the State will
27 never be in a position to fix the problems with our school
28 facilities unless another source of revenue is found for these
29 projects; and

30



1 WHEREAS, Hawaii must create twenty-first century school
2 facilities; and

3
4 WHEREAS, if nothing is done, our schools will continue to
5 decay, creating inequalities, limiting our use of technologies,
6 and diminishing educational opportunities for our children; and

7
8 WHEREAS, other states, such as California, use a portion of
9 the state's property tax revenues to fund school repairs and
10 upgrades; and

11
12 WHEREAS, imposing a school facility fee on residential
13 property would create an additional source of revenue to be used
14 for school facilities; and

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16 WHEREAS, to create a fair source of revenue, a school
17 facility fee should be structured carefully to ensure that fee
18 revenues are distributed equally among all public schools and
19 public charter schools in the State; now, therefore,

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21 BE IT RESOLVED by the House of Representatives of the
22 Twenty-seventh Legislature of the State of Hawaii, Regular
23 Session of 2013, the Senate concurring, that the Department of
24 Budget and Finance is requested to convene a working group to
25 study the feasibility of imposing a school facility fee on
26 residential property in the State; and

27
28 BE IT FURTHER RESOLVED that the Director of Finance is
29 requested to serve as the chairperson of the working group and
30 to select, as members of the working group, representatives of
31 the:

- 32
33 (1) Department of Taxation;
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35 (2) Department of Education;
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37 (3) State Public Charter School Commission;
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39 (4) Department of Finance of each county; and
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41 (5) Economic Research Organization at the University of
42 Hawaii; and
43



1 BE IT FURTHER RESOLVED that, as part of its study, the
2 working group is requested to:

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4 (1) Evaluate the feasibility of imposing a school facility
5 fee on residential property; provided that:

6
7 (A) The fee shall be calculated based on the number
8 of bedrooms on each property; for example, at a
9 rate of:

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11 (i) \$200 per year for properties with one or two
12 bedrooms;

13
14 (ii) \$400 per year for properties with three or
15 four bedrooms; and

16
17 (iii) \$600 per year for properties with five or
18 more bedrooms;

19
20 (B) The fee shall be assessed and collected by the
21 counties and paid to the State; provided that a
22 portion of the fees collected shall be used to
23 reimburse the counties for the costs of
24 assessment, collection, and disposition of the
25 fee;

26
27 (C) The fee revenues shall be used by the State to
28 fund repair and maintenance costs of all public
29 schools and public charter schools in the State;
30 provided that each public school or public
31 charter school receives an equal portion of the
32 fee revenues; and

33
34 (D) The fee revenues may be used for the following
35 purposes:

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37 (i) School maintenance;

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39 (ii) Upgrading schools for better wireless
40 systems;

41
42 (iii) Ensuring school safety; and
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- 1 (iv) General benefit of the public schools and
- 2 public charter schools of the State;
- 3
- 4 (2) Discuss the possibility of incorporating an exemption
- 5 to the school facility fee for retirees or owner-
- 6 occupants who are sixty-two years of age or older;
- 7 including:
- 8
- 9 (A) Logistical concerns of administering such an
- 10 exemption; and
- 11
- 12 (B) Effect on fee revenues; and
- 13
- 14 (3) Develop revenue projections for the school facility
- 15 fee; and
- 16

17 BE IT FURTHER RESOLVED that the working group is requested
 18 to submit a report of its findings and recommendations,
 19 including any proposed legislation, to the Legislature no later
 20 than twenty days prior to the convening of the Regular Session
 21 of 2014; and

22
 23 BE IT FURTHER RESOLVED that certified copies of this
 24 Concurrent Resolution be transmitted to the Director of Finance,
 25 the Director of Taxation, the Chairperson of the Board of
 26 Education, the Superintendent of Education, the Chairperson of
 27 the State Public Charter School Commission, the Director of
 28 Finance of each county, and the Executive Director of the
 29 Economic Research Organization at the University of Hawaii.

30
 31 OFFERED BY: Denny Coffman
T. Bial

[Signature]
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 MAR 13 2013