
HOUSE RESOLUTION

REQUESTING THE OFFICE OF THE AUDITOR TO CONDUCT A FINANCIAL AND
MANAGEMENT AUDIT OF THE STATE EDUCATIONAL FACILITIES
IMPROVEMENT SPECIAL FUND.

1 WHEREAS, ensuring that Hawaii's schoolchildren learn in
2 facilities that are safe, secure, and in good repair is critical
3 to successful educational delivery; and
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5 WHEREAS, more than half of Hawaii's public schools are over
6 50 years old, with 16 percent that are more than 100 years old;
7 and
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9 WHEREAS, older facilities present serious risks to the
10 health and well-being of those who use them, illustrated most
11 recently by the collapse of the auditorium roof at Farrington
12 High School in November 2012; and
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14 WHEREAS, older facilities, by their nature require more
15 funding to maintain as upgrades, particularly for water and
16 electrical systems, are difficult and expensive to undertake;
17 and
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19 WHEREAS, recognizing the extraordinary costs of capital
20 improvements to ensure the proper maintenance and repair of the
21 State's public schools, the Legislature established the State
22 Educational Facilities Improvement Special Fund through Act 368,
23 Session Laws of Hawaii 1989, to earmark a portion of general
24 excise tax revenues to improve school facilities; and
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26 WHEREAS, codified in section 36-32, Hawaii Revised
27 Statutes, the State Educational Facilities Improvement Special
28 Fund is to be used solely to plan, design, acquire lands for,
29 and construct public school facilities and to provide equipment
30 and technology infrastructure to improve public schools and
31 other Department of Education facilities, except public
32 libraries; and



1 WHEREAS, the Department of Education may also use monies in
2 the State Educational Facilities Improvement Special Fund for
3 activities intended to eliminate the gap between schools'
4 facility needs and available resources; and
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6 WHEREAS, the State Educational Facilities Improvement
7 Special Fund receives each fiscal year a sum from all general
8 excise tax revenues realized by the State that represents the
9 difference between \$45,000,000 and the proceeds from the sale of
10 any general obligation bonds authorized for that fiscal year for
11 the purposes of the Fund, pursuant to section 237-31, Hawaii
12 Revised Statutes; and
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14 WHEREAS, expenditures from the State Educational Facilities
15 Improvement Special Fund are limited to projects authorized by
16 the Legislature, are subject to certain provisions of the
17 State's allotment system, and must be expended by the
18 Superintendent of Education; and
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20 WHEREAS, within the State Educational Facilities
21 Improvement Special Fund is a separate Lease Payments for
22 Schools Account, for lease payments on new schools approved by
23 the Legislature and included within the Department's current six
24 year capital improvement programs, subject to legislative
25 appropriation; and
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27 WHEREAS, the Department of Education is required to
28 annually report to the Legislature on the status of projects
29 undertaken, including financial statements for the State
30 Educational Facilities Improvement Special Fund and the Lease
31 Payments for Schools Account; and
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33 WHEREAS, there continues to be a backlog for capital
34 improvement projects under the Department of Education's
35 jurisdiction; and
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37 WHEREAS, it appears that the Department of Education is not
38 always able to satisfactorily account for monies in and expended
39 from the State Educational Facilities Improvement Special Fund;
40 and



1 WHEREAS, the Legislature finds that an audit of the State
 2 Educational Facilities Improvement Special Fund will illuminate
 3 any potential issues so that they may be appropriately
 4 rectified; now, therefore,
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6 BE IT RESOLVED by the House of Representatives of the
 7 Twenty-seventh Legislature of the State of Hawaii, Regular
 8 Session of 2013, that the Office of the Auditor is requested to
 9 conduct a financial and management audit of the State
 10 Educational Facilities Improvement Special Fund; and
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12 BE IT FURTHER RESOLVED that the Office of the Auditor is
 13 requested to submit its findings and recommendations, including
 14 any proposed legislation, to the Legislature no later than
 15 twenty days prior to the convening of the Regular Session of
 16 2014; and
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18 BE IT FURTHER RESOLVED that certified copies of this
 19 Resolution be transmitted to the Governor, Acting Auditor, and
 20 Superintendent of Education.
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OFFERED BY: