

Honolulu, Hawaii

FEB 07 2013

RE: S.B. No. 458  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Madam:

Your Committee on Education, to which was referred S.B.  
No. 458 entitled:

"A BILL FOR AN ACT RELATING TO THE STATE EDUCATIONAL  
FACILITIES IMPROVEMENT SPECIAL FUND,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Remove the requirement that general excise tax revenues be deposited into the state educational facilities improvement special fund;
- (2) Limit expenditures from the state educational facilities improvement special fund to projects authorized by the Legislature for fiscal years ending prior to July 1, 2014;
- (3) Limit lease payments required by financing agreements paid from the state educational facilities improvement special fund to lease payments required by financing agreements entered into prior to July 1, 2013; and
- (4) Repeal the state educational facilities improvement special fund on July 1, 2023.

Your Committee received testimony in support of this measure from the Department of Budget and Finance. Your Committee received testimony in opposition to this measure from the



Department of Education. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the state educational facilities improvement special fund was first established pursuant to Act 368, Session Laws of Hawaii 1989. Over the years, capital improvement projects for Department of Education facilities have generally been authorized and funded with state educational facilities improvement special fund monies, which are then capitalized through general obligation bond revenue.

While your Committee recognizes the opposing concerns raised by the Department of Education and the Department of Budget and Finance, your Committee encourages further discussion on the necessity of retaining the state educational facilities improvement special fund.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 458, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 458, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Education,



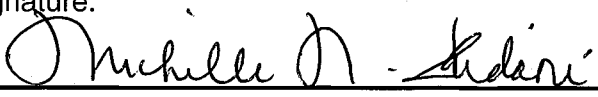
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JILL TOKUDA, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

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

Bill / Resolution No.:*	Committee Referral:	Date:		
SB458	EDU, WAM	1-30-13		
<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 type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> 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)	✓			
RUDERMAN, Russell E.	✓			
SHIMABUKURO, Maile S.L.				✓
SLOM, Sam	✓			
<b>TOTAL</b>	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
<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