

STAND. COM. REP. NO.

791

Honolulu, Hawaii

MAR 01 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 Ways and Means, to which was referred S.B. No. 458, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to modify the funding resources for public school facilities by repealing the state educational facilities improvement special fund on July 1, 2023.

In addition, this measure facilitates the repeal of the special fund by:

- (1) Immediately repealing the required deposit of a portion of general excise tax revenues into the special fund;
- (2) Limiting expenditures from the special fund to projects authorized by the Legislature for fiscal years ending prior to July 1, 2014; and
- (3) Providing that lease payments made from the special fund pursuant to financing agreements shall only be made for financing agreements entered into prior to July 1, 2013.

Your Committee received written comments in support of this measure from the Department of Budget and Finance.

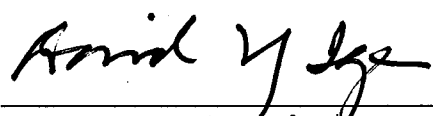


Your Committee received written comments on this measure from the Tax Foundation of Hawaii

Your Committee finds that the state educational facilities improvement special fund was established by Act 368, Session Laws of Hawaii 1989, and was designed to provide a consistent source of funding for public school facilities from general excise tax revenues and proceeds from the sale of general obligation bonds. Over the years, capital improvement projects for public school facilities have generally been funded by moneys in the special fund that are subsequently fully capitalized through the issuance of general obligation bonds. In light of this arrangement, this measure repeals the special fund to allow the Department of Education's capital improvement projects to be funded directly with general obligation bonds.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 458, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on behalf of the members of the Committee on Ways and Means,

  
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DAVID Y. IGE, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* SB 458, SDI	Committee Referral: EDU, WAM	Date: 2-21-13		
<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 checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	/			
KIDANI, Michelle N. (VC)	/			
CHUN OAKLAND, Suzanne	/			
DELA CRUZ, Donovan M.	/			
ENGLISH, J. Kalani	/			
ESPERO, Will	/			
KAHELE, Gilbert	/			
KEITH-AGARAN, Gilbert S.C.	/			
KOUCHI, Ronald D.	/			
RUDERMAN, Russell E.	/			
THIELEN, Laura H.	/			
TOKUDA, Jill N.	/			
SLOM, Sam	/			
<b>TOTAL</b>	13	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:right; font-family: cursive; font-size: 1.2em;">Michelle A. Kidani</div>				
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\*Only one measure per Record of Votes