

STAND. COM. REP. NO.

539

Honolulu, Hawaii

February 15, 2013

RE: H.B. No. 115
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Higher Education, to which was referred
H.B. No. 115, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HIGHER EDUCATION,"

begs leave to report as follows:

The purpose of this measure is to create a means to fund necessary repair and maintenance projects at University of Hawaii campuses statewide by establishing the Campus Planning Facility Board (Board) to oversee the funding of repair and maintenance projects and the Major Repairs and Replacement Special Fund (Special Fund) to be used solely to fund projects on the University's backlog list. This measure also authorizes \$38,000,000 in general obligation bond funds to be deposited into the Special Fund.

The Office of the Associated Students of the University of Hawaii President opposed this measure. The University of Hawaii and Department of Budget and Finance provided comments.

Your Committee understands that revenues obtained through the issuance of general obligation bonds must be used for a public purpose. As such, your Committee notes that upon the issuance of general obligation bonds authorized by this measure, the University of Hawaii is obligated to provide the Department of Budget and Finance a list of all projects that serve a public

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purpose and for which the general obligation bond revenues will be used.

Your Committee has amended this measure by:

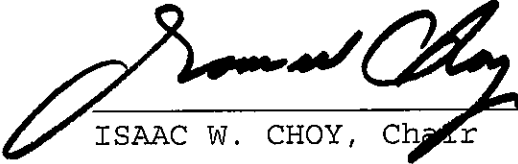
- (1) Requiring the Board to annually report to the Legislature on, among other things, revenues, expenses, and completed and pending projects;
- (2) Permitting the Board to adopt rules without regard to the Administrative Procedures Law, chapter 91, Hawaii Revised Statutes;
- (3) Specifying that the five percent of all moneys received by the University required to be deposited into the Special Fund will be five percent of gross revenues;
- (4) Clarifying that for the purposes of the major repairs and replacement fee, revenues will be considered received immediately upon receipt by the University;
- (5) Specifying that the major repairs and replacement fee shall be deducted from gross revenues and deposited to the Special Fund on June 30 of each year;
- (6) Requiring that no amounts from special funds from which repair and maintenance costs are already deducted be included in the total gross revenue amount upon which the major repairs and replacement fee is based and that no funds from such special funds be subject to the ten percent deduction required in fiscal years 2014-2015 and 2015-2016;
- (7) Specifying that general obligation bond proceeds authorized by this measure may be expended only upon projects that serve a public purpose;
- (8) Authorizing the issuance of \$38,000,000 in general obligation bonds for fiscal year 2014-2015 and deposit of bond revenues into the Special Fund;
- (9) Increasing the expenditure ceiling for the Special Fund to \$100,000,000, from \$38,000,000 for each year of fiscal biennium 2013-2015;



- (10) Removing the sunset date; and
- (11) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 115, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 115, H.D. 2, and be referred to the Committee on Finance.

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


ISAAC W. CHOY, Chair



