

Honolulu, Hawaii

APR 03 2014

RE: H.B. No. 2576  
H.D. 1  
S.D. 2

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 2576, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO EDUCATION,"

begs leave to report as follows:

The purpose and intent of this measure is to support charter schools in the State.

More specifically, this measure:

- (1) Establishes an income tax credit for contributions of money or in-kinds goods and services for the development of charter school facilities;
- (2) Establishes the Hawaii charter school facility development special fund; and
- (3) Appropriates funds to support the development of charter school facilities

Your Committee received written comments in support of this measure from the State Public Charter School Commission, Hawaii Public Charter Schools Network, Kamehameha Schools, Na Wai Ola Public Charter School Governing Board, and seven individuals. The Department of Budget and Finance, Department of Taxation, and Tax Foundation of Hawaii submitted written comments on the measure.



Your Committee finds that a scarcity of funding for the development and maintenance of facilities is a serious issue facing Hawaii charter schools. Your Committee also finds that start-up charter schools must pay for the cost of their facilities with already limited operational funds. Your Committee believes that this measure will provide a mechanism to fund the development of charter school facilities.

Your Committee has amended this measure by:

- (1) Clarifying that the cap amount applies to the amount of tax credits that may be claimed, rather than the value of contributions that may be claimed;
- (2) Clarifying that a taxpayer may not use the same contribution to claim both a charitable deduction and a tax credit under the measure; and
- (3) Making technical nonsubstantive amendments for the purposes of consistency, clarity, and style.

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 H.B. No. 2576, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2576, H.D. 1, S.D. 2.

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

  
\_\_\_\_\_  
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.:*	Committee Referral:	Date:		
HB2576 HDI SDI	EDU, WAM	3-28-14		
<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
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			✓	
	11	0	1	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
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\*Only one measure per Record of Votes