

Honolulu, Hawaii

APR 26 2013

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

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

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

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 458, S.D. 1, H.D. 1, entitled:

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

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to modify the funding resources for public school facilities by repealing the state educational facilities improvement special fund (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 certain 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;
- (3) Providing that lease payments made from the lease payments for schools account within the special fund pursuant to financing agreements shall only be made for financing agreements entered into prior to July 1, 2013;
- (4) Repealing statutory provisions exempting the special fund from the payment of central service and administrative expenses; and
- (5) Repealing the statutory provision authorizing the Department of Education to enter into financing agreements in accordance with the special fund.

Your Committee on Conference 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 monies 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.

Your Committee on Conference has amended this measure by limiting expenditures from the special fund to projects authorized by the Legislature for fiscal years ending prior to July 1, 2016, rather than July 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 458, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 458, S.D. 1, H.D. 1, C.D. 1.



Respectfully submitted on behalf  
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



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ROY M. TAKUMI, Co-Chair



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SYLVIA LUKE, Co-Chair



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JILL N. TOKUDA, Chair



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DAVID Y. ICE, Co-Chair



Hawaii State Legislature

CCR 91

Record of Votes of a  
Conference Committee

Bill / Concurrent Resolution No.: <b>SB 458, SD 1, HD 1</b>	Date/Time: <i>April 26, 2013 9:53 am</i>
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The recommendation of the House and Senate managers is to pass with amendments (CD).

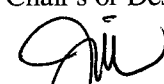
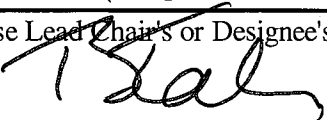
The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
TOKUDA, Jill N., Chr.	✓				TAKUMI, Roy M., Co-Chr.	✓			
IGE, David Y., Co-Chr.	✓				LUKE, Sylvia, Co-Chr.	✓			
SLOM, Sam				✓	NISHIMOTO, Scott Y.	✓			
					JOHANSON, Aaron Ling	✓			
<b>TOTAL</b>	<i>2</i>	<i>0</i>	<i>0</i>	<i>1</i>	<b>TOTAL</b>	<i>4</i>	<i>0</i>	<i>0</i>	<i>0</i>

A = Aye      WR = Aye with Reservations      N = Nay      E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature: 
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