

DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
INFORMATIONAL BRIEFING ON STATE EDUCATIONAL FACILITIES
IMPROVEMENT SPECIAL FUND AND THE REQUESTED REAUTHORIZATION
OF
\$399 MILLION IN GENERAL OBLIGATION BOND FUNDS

April 15, 2014

On April 1, 2014, the Governor submitted a proposed change to the FY 15 Supplemental Budget for the Department of Budget and Finance (B&F), to add \$399,000,000 in general obligation bond funds in FY 15 for State Educational Facilities Improvement (SEFI) Fund capitalization reauthorization. The reauthorization is necessary because the general obligation bond appropriations authorized in Act 164, SLH 2011, as amended by Act 106, SLH 2012, that provide the cash for the SEFI will lapse as of June 30, 2014. However, there are approximately \$399,000,00 in SEFI contract, claims, and active appropriations that may be outstanding and alive in FY 15+ until the encumbered projects are completed.

Act 157, SLH 2013, repealed the SEFI special fund on July 1, 2013, and limits expenditures from the special fund to projects authorized by the Legislature for fiscal years ending prior to July 1, 2016.

It should be noted that the reauthorization does not include general obligation bond funds for the \$100,000,000 SEFI appropriation in FY 15 for a new high school in Kihei, Maui. General obligation bonds were not authorized for the SEFI appropriation last session and remains unfunded.

Attached is a summary constructed by B&F in consultation with the Department of Education approximating the estimate of \$399,000,000 in general obligation bond reauthorization necessary to sustain current SEFI projects into FY 15. Please also note that approximately \$9.4 million worth of projects are estimated to either lapse or complete with balances as part of the estimate. Since this request does constitute a reauthorization of previously authorized debt, the \$399,000,000 is currently already considered part of the forward-looking debt issuance schedule.

Attachment

STATE EDUCATIONAL FACILITIES IMPROVEMENT SPECIAL FUND (SEFI)
GENERAL OBLIGATION BOND (GOB) FUND REAUTHORIZATION

	B&F General Obligation Bond	DOE SEFI CIP
SEFI CIP Appropriation Balance		\$17,118,831.00
SEFI CIP Allotment Balance (payroll)		(8,449,879.88)
SEFI CIP Allotment Balance (others)		282,843,982.33
SEFI CIP Contract Encumbrance		-
SEFI CIP Claims Encumbrance		226,839,432.27
Total SEFI CIP authorizations as of February 28, 2014 ¹		\$518,352,365.72
 Reauthorization Calculations:		
DOE Requirements as of Feb 2014		\$518,352,365.72
Less Projected lapsing projects ²		(9,444,000.00)
Less SEFI ending cash in CIP projects		(3,965,633.44)
Less projected expenditure to June 30, 2014 ³		(53,000,000.00)
Total DOE SEFI CIP requirements as of June 30, 2014		\$451,942,732.28
Act 164, SLH 2011 allotment balance ⁴	\$364,246,000.00	
Act 106, SLH 2012 allotment balance ⁵	118,472,000.00	
Act 134, SLH 2013 appropriation balance ⁶	53,000,000.00	
Total General Obligation Bonds Available	\$535,718,000.00	
Total DOE SEFI CIP requirements as of June 30, 2014	\$451,942,732.28	
Act 134, SLH 2013 appropriation balance ⁶	(53,000,000.00)	
Total General Obligation Bond Reauthorization	\$398,942,732.28	
Governor's Message dated April 1, 2014	399,000,000.00	

Authorization from Act 164, SLH 2011, as amended by Act 106, SLH 2012, lapses June 30, 2014. See attachment for details.

Reauthorization does not include general obligation bond funds for the \$100,000,000 SEFI appropriation in FY15 for a new high school in Kihei, Maui. General obligation bonds were not authorized for the SEFI appropriation last session and remains unfunded.

¹ Based on datamart as of February 28, 2014.

² DOE has identified projects they do not intend to implement from Act 164, SLH 2011, as amended by Act 106, SLH 2012; thus, authorization is scheduled to lapse June 30, 2014.

³ Projected expenditures (March to June 2014) is based on an average of DOE's last four years monthly expenditures for the same period.

⁴ Act 164, SLH 2011; appropriated \$538,256,000 in GOB; of which \$174,000,000 has been expended (Feb 2014).

⁵ Act 106, SLH 2012, appropriated \$296,472,000 in GOB; of which \$178,000,000 has been expended (Feb 2014).

⁶ CIP authorization from Act 134, SLH 2013, lapses June 30, 2016.

Department of Education
Current Appropriations To Lapse

Project Title	Total Appropriation	Allotment	Remaining Appropriation Balance
Appropriations to Lapse			
S-11-427 L/S CIP-ELEC/INFRASTURE IMP, S/W-PLN	1,000.00		1,000.00
S-11-475 HELEMANO ELEM SCHOOL, OAHU-PLN	1,000.00		1,000.00
S-11-476 HELEMANO ELEM SCHOOL, OAHU-DES	499,000.00		499,000.00
S-11-560 PAHOA ELEM SCHOOL, HI-PLN	1,000.00		1,000.00
S-11-561 PAHOA ELEM SCHOOL, HI-DES	999,000.00		999,000.00
S-12-461 EAST KAPOLEI HIGH SCHOOL, OAHU-DES	2,300,000.00		2,300,000.00
S-12-480 HOKULANI ELEM SCHOOL, OAHU-DES	15,000.00		15,000.00
S-12-481 HOKULANI ELEM SCHOOL, OAHU-CON	135,000.00		135,000.00
S-12-491 KALIHI UKA ELEM SCHOOL, OAHU-CON	300,000.00	256,000.00	44,000.00
S-12-493 KAMILOIKI ELEM SCHOOL, OAHU-PLN	37,000.00		37,000.00
S-12-494 KAMILOIKI ELEM SCHOOL, OAHU-DES	37,000.00		37,000.00
S-12-495 KAMILOIKI ELEM SCHOOL, OAHU-CON	301,000.00		301,000.00
S-12-511 KING INTERMEDIATE, OAHU-DES	70,000.00		70,000.00
S-12-512 KING INTERMEDIATE, OAHU-CON	630,000.00		630,000.00
S-12-526 MAUI HIGH SCHOOL, MAUI-PLN	125,000.00		125,000.00
S-12-527 MAUI HIGH SCHOOL, MAUI-DES	125,000.00		125,000.00
S-12-544 NIU VALLEY MIDDLE SCHOOL, OAHU-CON	2,450,000.00		2,450,000.00
S-12-545 NUUANU ELEM SCHOOL, OAHU-PLN	1,000.00		1,000.00
S-12-546 NUUANU ELEM SCHOOL, OAHU-DES	2,000.00		2,000.00
S-12-547 NUUANU ELEM SCHOOL, OAHU-CON	20,000.00		20,000.00
S-12-548 NUUANU ELEM SCHOOL, OAHU-EQP	2,000.00		2,000.00
S-12-549 NUUANU ELEM SCHOOL, OAHU-PLN	1,000.00		1,000.00
S-12-550 NUUANU ELEM SCHOOL, OAHU-DES	8,000.00		8,000.00
S-12-551 NUUANU ELEM SCHOOL, OAHU-CON	1,000.00		1,000.00
S-12-561 ROYAL KUNIA ELEM SCHOOL, OAHU-PLN	150,000.00		150,000.00
S-12-567 WAIAKEAWAENA ELEM SCHOOL, HAWAII-CON	450,000.00		450,000.00
S-12-580 WAIKELE ELEM SCHOOL, OAHU-PLN	1,000.00		1,000.00
S-12-581 WAIKELE ELEM SCHOOL, OAHU-DES	793,000.00		793,000.00
S-12-592 WAIPAHU HIGH SCHOOL, OAHU-DES	1,000,000.00	755,000.00	245,000.00
	10,455,000.00	1,011,000.00	9,444,000.00