

Honolulu, Hawaii

April 8, 2016

RE: S.B. No. 3126
S.D. 2
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 3126, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC SCHOOLS,"

begs leave to report as follows:

The purpose of this measure is to accelerate the goals of the Department of Education to cool Hawaii's schools, reduce energy costs, meet the State's clean energy goals, and authorize the issuance of general obligation bonds and the use of funds from the Green Infrastructure Loan Program to implement cooling measures in public schools to provide students with a better learning environment. Among other things, this measure:

- (1) Requires the Department of Education to establish a goal of becoming net-zero with respect to energy use by January 1, 2035;
- (2) Requires the Department of Education to establish in each county at least one microgrid pilot project at public schools that also serves as emergency shelters to allow for continued operations even during the failure of the larger electric grid during a natural disaster;
- (3) Requires the Department of Education to expedite the cooling of all public school classrooms to a temperature acceptable for student learning, and to submit a report



to the Legislature about the implementation of measures taken to cool public school classrooms;

- (4) Appropriates \$100,000,000 from the Hawaii Green Infrastructure Special Fund to the Department of Business, Economic Development, and Tourism for maximizing the energy efficiency of all schools;
- (5) Authorizes the Department of Education and Department of Budget and Finance, with the approval of the Governor, to borrow \$100,000,000 from the Green Infrastructure Loan Program for capital improvement program equipment and installation costs for air conditioning and other energy efficiency measures related to heat abatement in public schools; and
- (6) Appropriates \$30,000,000 for general obligation bond funds to fund capital improvement program equipment and installation costs for air conditioning and other energy efficiency measures related to heat abatement in public schools.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in Governor's Message No. 5 to the Legislature, requested immediate consideration and passage of this measure by the Legislature to appropriate emergency funds needed to implement a rapid response plan for heat abatement at the most-in-need public schools before the start of the next school year.

The Department of Education and Hawaii Green Infrastructure Authority testified in support of this measure. The Board of Education, Department of Business, Economic Development, and Tourism, Department of Budget and Finance, Tax Foundation of Hawaii, IMUAlliance, Hawaii State Teachers Association, Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company provided comments.

Your Committee has amended this measure by:

- (1) Changing various appropriation or authorization amounts to unspecified amounts;
- (2) Changing its effective date to July 1, 2030, to facilitate further discussion; and



- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3126, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3126, S.D. 2, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



SYLVIA LUKE, Chair



