

Honolulu, Hawaii

MAR 04 2016

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

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 3126, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to address the need for air conditioning in public schools.

More specifically, this measure:

- (1) Appropriates moneys from the Hawaii green infrastructure special fund to provide a loan to the Department of Education and the Department of Budget and Finance for the equipment and installation of air conditioning and other energy efficiency measures;
- (2) Authorizes the Department of Education and the Department of Budget and Finance to borrow the moneys provided by the appropriation from the green infrastructure loan program and authorizes the Department of Education to expend the funds for air conditioning and energy efficiency measures;
- (3) Appropriates general obligation bond funds to the Department of Education for the equipment and installation of air conditioning and other energy efficient measures; and



- (4) Appropriates general funds to the Department of Budget and Finance to make the initial loan repayment to the green infrastructure loan program.

For purposes of a public hearing, your Committee circulated a proposed Senate Draft 2 (Proposed Draft) of the measure, which also addresses air conditioning in public schools, and notified the public that your Committee would be accepting testimony on the Proposed Draft.

The Proposed Draft amends S.B. No. 3126, S.D. 1, by:

- (1) Deleting the authorization for the Department of Education and the Department of Budget and Finance to borrow moneys from the green infrastructure loan program and authorization to the Department of Education to expend the funds for air conditioning and energy efficiency measures;
- (2) Deleting the \$7,000,000 appropriation of general funds to the Department of Budget and Finance to make the initial loan repayment to the green infrastructure loan program; and
- (3) Replacing the green infrastructure loan special fund as the means of financing source with a \$100,000,000 appropriation out of the general fund.

Your Committee received testimony in support of the Proposed Draft from the Department of Education; Department of Business, Economic Development, and Tourism; Board of Education; Hawaii State Teachers Association; United Public Workers; and two individuals.

Your Committee received comments on the Proposed Draft from the Department of Budget and Finance. The Department expressed a preference for the version of the bill as received by your Committee.

Your Committee received testimony in opposition to the Proposed Draft from one individual.

Your Committee received comments on the Proposed Draft from the Tax Foundation of Hawaii.



Your Committee finds that there is an urgent need to implement air conditioning and other heat abatement measures in public school classrooms to preserve and promote the health and safety of students and teachers and to foster a more productive learning environment. Governor Ige, in his 2016 State of the State address, challenged the Department of Education to cool one thousand classrooms by the end of the year, and while your Committee may not agree on the proposed method of financing, it views this measure as a vehicle and an opportunity to quickly bring relief to students and teachers statewide.

Your Committee feels it is important to make clear that the funds being considered in the Proposed Draft do not impact the State's \$1,000,000,000 Medicaid general fund budget. These funds are being reimbursed to the State for adjustments made to prior years' payments and are not accounted for and are non-recurring in the financial plan. As such, the most prudent use of these funds would be for non-recurring costs such as these, allowing for maximum flexibility, quick deployment, and eliminating the need for debt service payments into future years. Accordingly, your Committee has amended this measure by adopting the Proposed Draft.

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 S.B. No. 3126, S.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.

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



JILL N. TOKUDA, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* *MO*
 SB 3126, SD *1* Committee Referral: *EDU/TRE, WAM* Date: *7/14/16*

The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:
 Pass, unamended 2312 Pass, with amendments 2311 Hold 2310 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
GALUTERIA, Brickwood				/
HARIMOTO, Breene				/
INOUYE, Lorraine R.	/			
RIVIERE, Gil	/			
TANIGUCHI, Brian T.	/			/
WAKAI, Glenn	/			
SLOM, Sam	/			
TOTAL	<i>8</i>			<i>3</i>

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature:
[Signature]

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