

**LATE**

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GOVERNOR



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SUPERINTENDENT

STATE OF HAWAII  
DEPARTMENT OF EDUCATION  
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**Date:** 02/04/2015  
**Time:** 02:00 PM  
**Location:** 309  
**Committee:** House Education

**Department:** Education

**Person Testifying:** Kathryn S. Matayoshi, Superintendent of Education

**Title of Bill:** HB 0692 RELATING TO CROWDFUNDING.

**Purpose of Bill:** Authorizes DOE to use crowdfunding to fund specific capital improvement projects. Establishes the school capital improvement project crowdfunding special fund. Defines crowdfunding.

**Department's Position:**

The Department of Education (DOE) supports this bill. Crowdfunding represents a potential funding source that is not currently utilized. Although the funding potential of crowdfunding remains uncertain, the DOE believes that the provisions of this bill provide for a framework in which to effectively utilize crowdfunding should it prove beneficial.

For an example of the possibilities that this measure could perhaps represent, if you have a Facebook account, you are encouraged to view the "Humans of New York" (HONY) Facebook page where an inspiring example of crowdfunding is occurring for a school in Brooklyn. What started as a simple post to HONY about a student named Vidal who was influenced by his Principal, Ms.Lopez, has spiraled into so much more.

TESTIMONY BY WESLEY K. MACHIDA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON EDUCATION  
ON  
HOUSE BILL NO. 692

February 4, 2015

RELATING TO CROWDFUNDING

House Bill No. 692 proposes to establish within the State treasury the “School Capital Improvement Project Crowdfunding Special Fund” to assist with paying all or part of specific capital improvement projects within the Department of Education (DOE).

While the Department of Budget and Finance does not take any position on establishing the “School Capital Improvement Project Crowdfunding Special Fund,” as a matter of general policy, the department does not support the creation of special funds which do not meet the requirements of Section 37-52.3, Hawaii Revised Statutes. Special or revolving funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. In regards to House Bill No. 692, it is difficult to determine whether the special fund will be self-sustaining. In addition, the bill does not make an appropriation to allow the DOE to expend the funds within the proposed “School Capital Improvement Project Crowdfunding Special Fund.”

**HB692**

Submitted on: 2/2/2015

Testimony for EDN on Feb 4, 2015 14:00PM in Conference Room 309

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Tanya Abalos	Hawaii State Teachers Association	Support	No