
A BILL FOR AN ACT

RELATING TO THE SCHOOL FACILITIES SPECIAL FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. This Act is recommended by the governor for
2 immediate passage in accordance with section 9 of article VII of
3 the Hawaii State Constitution.

4 SECTION 2. Section 302A-1706, Hawaii Revised Statutes, is
5 amended by amending subsections (b) through (e) to read as
6 follows:

7 "(b) The [authority] department shall establish and
8 appropriately name subaccounts²⁷⁴² within the school facilities
9 special fund to accept deposits of revenues from school impact
10 fees that are required to be expended within a specific school
11 impact district pursuant to section 302A-1608(a) or restricted
12 for a specified purpose pursuant to part V, subpart B of this
13 chapter.

14 (c) The school facilities special fund shall be
15 administered by the [authority] department and used to fund any
16 school development, planning, or construction project, including



1 prekindergarten facilities, within the jurisdiction of the
2 authority.

3 (d) Subject to chapter 84, any other law to the contrary
4 notwithstanding, the governor may authorize expenditures from
5 the school facilities special fund of any donation, grant,
6 bequest, and devise of money from any private institution,
7 person, firm, or corporation for the purposes of funding the
8 salaries of the executive director and any officers, agents, and
9 employees of the authority. If all or any portion of any salary
10 of the executive director or any officer, agent, or employee of
11 the authority is funded pursuant to this subsection, the
12 [authority] department shall submit a report to the legislature
13 detailing the use of any funds authorized under this subsection
14 no later than twenty days prior to the convening of the next
15 regular session following the expenditure authorization.

16 (e) The [authority] department shall submit to the
17 director of finance a report that shall be prepared in the form
18 prescribed by the director of finance and shall identify the
19 total amount of funds in the school facilities special fund that
20 will carry over to the next fiscal year. The [authority]
21 department shall submit the report to the director of finance



1 within ninety days of the close of each fiscal year and a copy
2 of the information contained in the report to the director of
3 finance shall be included within the authority's report to the
4 legislature pursuant to section 302A-1707."

5 SECTION 3. Act 257, Session Laws of Hawaii 2022, as
6 amended by Act 175, Session Laws of Hawaii 2023, is amended as
7 follows:

8 1. By adding a new section to read as follows:

9 "SECTION 1A. The director of finance is authorized to
10 issue general obligation bonds in the sum of \$100,000,000 or so
11 much thereof as may be necessary and the same sum or so much
12 thereof as may be necessary is appropriated for fiscal year
13 2023-2024 for deposit into the school facilities special fund.

14 The sum appropriated shall be expended by the department of
15 education for the purposes of this Act; provided that the
16 appropriation authorized by this Act shall not lapse at the end
17 of the fiscal biennium for which the appropriation is made;
18 provided further that all moneys from the appropriation
19 unencumbered as of June 30, 2025, shall lapse as of that date."

20 2. By amending sections 1 and 2 to read:



1 ~~"SECTION 1. [There is appropriated out of the general~~
2 ~~revenues of the State of Hawaii the sum of \$200,000,000 or so~~
3 ~~much thereof as may be necessary for fiscal year 2023-2024 to be~~
4 ~~deposited into the school facilities special fund.] Repealed.~~

5 ~~SECTION 2. [There is appropriated out of the school~~
6 ~~facilities special fund the sum of \$200,000,000 or so much~~
7 ~~thereof as may be necessary for fiscal year 2023-2024 for the~~
8 ~~school facilities authority to expand access to pre-kindergarten~~
9 ~~to eligible children of the State. The school facilities~~
10 ~~authority may expend the moneys appropriated in this section on:~~

- 11 ~~(1) The construction of new school facilities;~~
12 ~~(2) The renovation, improvement, and expansion of existing~~
13 ~~school facilities to increase pre-kindergarten student~~
14 ~~capacity; and~~
15 ~~(3) Any other costs the school facilities authority deems~~
16 ~~appropriate to increase pre-kindergarten student~~
17 ~~capacity within the State.~~

18 ~~The sum appropriated shall be expended by the school~~
19 ~~facilities authority for the purposes of this Act; provided that~~
20 ~~the appropriation authorized by this Act shall not lapse at the~~
21 ~~end of the fiscal biennium for which the appropriation is made;~~



1 ~~provided further that the appropriation authorized by this Act~~
2 ~~shall lapse on June 30, 2024.] Repealed."~~

3 SECTION 4. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 5. This Act shall take effect upon its approval.



Report Title:

DOE; SFA; School Facilities Special Fund; General Obligation Bond Appropriations

Description:

Replaces the School Facilities Authority with the Department of Education as the administrator of the School Facilities Special Fund. Changes the means of financing for a portion of funds appropriated for deposit into the School Facilities Special Fund to expand pre-kindergarten student capacity within the State from general funds to general obligation bond funds. Repeals the funds appropriated into and out of the School Facilities Special Fund by Act 257, SLH 2022, as amended. (SD2)

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