

JOSH GREEN, M.D.
GOVERNOR

ALISON KUNISHIGE
ACTING EXECUTIVE DIRECTOR



STATE OF HAWAII
SCHOOL FACILITIES AUTHORITY
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HILO, HAWAII 96720

House Committee on Education

Tuesday, February 6, 2024
2:00 p.m.
Hawai'i State Capitol, Room 309

House Bill 2384, Relating to the School Facilities Special Fund

Dear Chair Woodson, Vice Chair La Chica, and Members of the Committee:

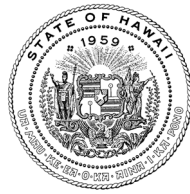
The School Facilities Authority (SFA) has comments on House Bill 2384, which would convert \$100 million of the \$200 million in general funds appropriated to the school facilities special fund by Act 257, Session Laws of Hawaii 2022, as amended by Act 175, Session Laws of Hawaii 2023, for the purpose of expanding pre-kindergarten capacity into general obligation bonds.

The SFA understands this conversion in the means of financing is necessary for access to more general revenue funds to balance the state budget. The Department of Budget and Finance (B&F) has offered its assistance in the expenditure of general obligation bond funds. We appreciate B&F's solution-oriented approach to both balancing the state budget and ensuring accessible funding for the important task of expanding pre-kindergarten access. We do not anticipate this change in means of finance to cause any delays in the renovation of pre-kindergarten classrooms in the immediate term.

Thank you for this opportunity to testify.

Sincerely,

Alison Kunishige
Acting Executive Director



JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

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DEPARTMENT OF BUDGET AND FINANCE
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FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON EDUCATION
ON
HOUSE BILL NO. 2384

February 6, 2024
2:00 p.m.
Room 309 and Videoconference

RELATING TO THE SCHOOL FACILITIES SPECIAL FUND

The Department of Budget and Finance (B&F) supports this Administration bill.

House Bill No. 2384 is an emergency appropriation bill which amends Act 257, SLH 2022, as amended by Act 175, SLH 2023, to change the means of financing for a portion of funds appropriated from general funds to general obligation (G.O.) bond funds for deposit into the School Facilities Special Fund (Special Fund) to expand pre-kindergarten student capacity within the State. The measure also extends the lapse date of the funds from June 30, 2024, to June 30, 2025.

This bill is necessary to help balance the State financial plan by reducing the amount of general funds appropriated for deposit into the Special Fund for FY 24 by \$100,000,000 and replacing it with an appropriation of the same amount in G.O. bond funds. Extending the lapse date to June 30, 2025, is necessary to provide sufficient time to allow the School Facilities Authority (SFA) to encumber the amended general fund and new G.O. bond fund appropriations. The bill also extends the lapse dates on the appropriation out of the Special Fund until June 30, 2025, to allow SFA sufficient time to expend the funds for the purposes of Act 257, SLH 2022.

Thank you for the opportunity to provide testimony in support of this bill.