A BILL FOR AN ACT

RELATING TO EDUCATION.

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

1	PART I
2	SECTION 1. The legislature finds that Hawaii's children
3	deserve a quality education in a clean and safe environment.
4	Many schools have leaky roofs, termite-infested floors,
5	crumbling walls, and overheated classrooms. The legislature
6	further finds that there is a compelling need to immediately
7	fund the backlog of repair and maintenance projects in the
8	public schools.
9	In 2001, the legislature appropriated funds to help
10	mitigate the department of education's estimated \$640,000,000
11	backlog of repair and maintenance projects. In 2007, the
12	estimated backlog of repair and maintenance projects was
13	\$341,000,000 which included recurring major and minor repairs,
14	ongoing cycle maintenance, service and contract maintenance,
15	nonrecurring projects, and emergency repairs. Unfortunately,
16	due in part to the governor's decision not to release
17	\$140,000,000 previously approved by the legislature during past

^{*}SB1669 SD1.DOC*

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1 legislative sessions for repair and maintenance projects of the
2 department of education, the backlog remains and continues to
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- 3 increase. Since last year, the backlog has increased to
- 4 approximately \$421,000,000, and is expected to increase by an
- 5 additional \$75,000,000 during the upcoming fiscal year.
- 6 It is the intent of the legislature to reduce the backlog
- 7 of repair and maintenance projects within the public schools to
- 8 a manageable level. To meet this objective, this Act authorizes
- 9 the issuance of general obligation bonds and appropriates
- 10 \$155,000,000 annually through fiscal year 2012 for repair and
- 11 maintenance projects of the department of education. At the
- 12 rate of \$155,000,000 annually, the backlog will be reduced after
- 13 three years, as follows:
- 14
 FY2010
 FY2011
 FY2012

 15
 Current backlog
 \$421,000,000
 \$341,000,000
 \$261,000,000
- **16** Annual increase \$75,000,000 \$75,000,000 \$75,000,000
- 17 GO funding (\$155,000,000) (\$155,000,000) (\$155,000,000)
- **18** Remaining R&M \$341,000,000 \$261,000,000 \$181,000,000
- 19 The purpose of this part is to authorize the issuance of
- 20 general obligation bonds and appropriate the revenues derived
- 21 therefrom to reduce the backlog of repair and maintenance
- 22 projects of the department of education.

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SECTION 2. The director of finance is authorized to issue 1 2 general obligation bonds in the sum of \$ or so much 3 thereof as may be necessary and the same sum or so much thereof 4 as may be necessary is appropriated for fiscal year 2009-2010 5 for the purpose of funding the department of education's repair 6 and maintenance projects. 7 The sum appropriated shall be expended by the department of 8 education for the purposes of this part. 9 SECTION 3. The director of finance is authorized to issue **10** general obligation bonds in the sum of \$ or so much 11 thereof as may be necessary and the same sum or so much thereof as may be necessary is appropriated for fiscal year 2010-2011 12 13 for the purpose of funding the department of education's repair 14 and maintenance projects. The sum appropriated shall be expended by the department of 15 16 education for the purposes of this part. 17 SECTION 4. The director of finance is authorized to issue 18 general obligation bonds in the sum of \$ or so much 19 thereof as may be necessary and the same sum or so much thereof **20** as may be necessary is appropriated for fiscal year 2011-2012 21 for the purpose of funding the department of education's repair 22 and maintenance projects.

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1 The sum appropriated shall be expended by the department of 2 education for the purposes of this part. 3 SECTION 5. The appropriations made for the capital 4 improvement projects authorized by this part shall not lapse at 5 the end of the fiscal biennium for which the appropriation is 6 made; provided that all moneys from the appropriations in 7 section 2 and 3 unencumbered as of June 30, 2012, shall lapse as 8 of that date; provided further that all moneys from the 9 appropriation in section 4 unencumbered as of June 30, 2014, **10** shall lapse as of that date. 11 PART II 12 The purpose of this part is to provide a SECTION 6. 13 temporary exemption from chapter 103 and 103D, Hawaii Revised 14 Statutes, to the department of education in order to expedite 15 construction projects. 16 SECTION 7. (a) Chapter 302A, Hawaii Revised Statutes, 17 notwithstanding, the department of education shall not be 18 subject to chapter 103 and 103D, Hawaii Revised Statutes, and 19 any and all other requirements of law for competitive bidding 20 for contracts related to construction projects; provided that 21 the department shall develop internal policies and procedures

for the procurement of goods, services, and construction,

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- 1 consistent with the goals of public accountability and public
- procurement practices.
- 3 (b) The department shall submit annual reports to the
- 4 legislature no later than twenty days prior to the convening of
- 5 the regular sessions of 2010 through 2013 on the status of the
- 6 construction projects utilizing the exemptions established in
- 7 subsection (a).
- 8 PART III
- 9 SECTION 8. If any provision of this Act, or the
- 10 application thereof to any person or circumstance is held
- 11 invalid, the invalidity does not affect other provisions or
- 12 applications of the Act, which can be given effect without the
- 13 invalid provision or application, and to this end the provisions
- 14 of this Act are severable.
- 15 SECTION 9. This Act shall take effect on July 1, 2009, and
- 16 the exemption granted in section 7 of this Act shall be repealed
- 17 on June 30, 2012.

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Report Title:

DOE; Repair and Maintenance; GO Bonds; Majority Package

Description:

Authorizes the issuance of general obligation bonds to fund department of education repair and maintenance projects (part I); provides a temporary exemption from chapters 103 and 103D, Hawaii Revised Statutes, to the department of education in order to expedite repair and maintenance capital improvement projects (part II). (SD1)