

STAND. COM. REP. NO.

106

Honolulu, Hawaii

FEB 18 2009

RE: S.B. No. 139  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Madam:

Your Committee on Education and Housing, to which was referred S.B. No. 139 entitled:

"A BILL FOR AN ACT PROPOSING AMENDMENTS TO THE HAWAII STATE CONSTITUTION RELATING TO ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS,"

begs leave to report as follows:

The purpose of this measure is to propose a constitutional amendment to authorize the State to issue special purpose revenue bonds and use the proceeds from the bonds to assist not-for-profit organizations that support charter schools.

Testimony in support of this measure was submitted by one state agency, four charter schools, and two private organizations. One state agency submitted comments. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that this measure would address one of the major expenses of running a charter school - facilities costs. A related measure, S.B. No. 140, would authorize the issuance of special purpose revenue bonds to not-for-profit organizations that support charter schools. Your Committee notes that such bonds are already authorized for not-for-profit private schools and early childhood education and care facilities.

Your Committee has heard the concerns raised by the Department of Budget and Finance regarding federal tax implications and the ability of not-for-profit organizations to

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generate sufficient revenue for debt service repayment, and urges the parties to work together to resolve these issues.

Your Committee has amended this measure accordingly, by:

- (1) Amending the effective date to July 1, 2040, for the purpose of encouraging further discussion; and
- (2) Making technical amendments to reflect the preferred Ramseyer style.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 139, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 139, S.D. 1, and be referred to the Committees on Ways and Means and Judiciary and Government Operations.

Respectfully submitted on  
behalf of the members of the  
Committee on Education and  
Housing,

  
\_\_\_\_\_  
NORMAN SAKAMOTO, Chair



The Senate  
Twenty-Fifth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Education and Housing**  
**EDH**

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB 139</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">EDH, WAM/JGO</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">2-11-09</div>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312         </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311         </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310         </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313         </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
SAKAMOTO, Norman (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
GALUTERIA, Brickwood	✓			
TSUTSUI, Shan S.				✓
HEMMINGS, Fred	✓			
<b>TOTAL</b>	5			1
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <input checked="" type="checkbox"/> Adopted         <input type="checkbox"/> Not Adopted         </div>				
Chair's or Designee's Signature: <div style="font-size: 1.2em; font-family: cursive; margin-left: 50px;">Michelle N. Kidani</div>				
<b>Distribution:</b> <div style="display: flex; justify-content: space-between; font-size: 0.8em; margin-top: 5px;"> <div>Original File with Committee Report</div> <div>Yellow Clerk's Office</div> <div>Pink Drafting Agency</div> <div>Goldenrod Committee File Copy</div> </div>				

**\*Only one measure per Record of Votes**