

S.B. NO. 3073

JAN 24 2024

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 Constitution of the State of Hawaii.

4 SECTION 2. Act 257, Session Laws of Hawaii 2022, as
5 amended by Act 175, Session Laws of Hawaii 2023, is amended by
6 amending sections 1 and 2 to read as follows:

7 "SECTION 1. (a) There is appropriated out of the general
8 revenues of the State of Hawaii the sum of [~~\$200,000,000~~]
9 \$100,000,000 or so much thereof as may be necessary for fiscal
10 year 2023-2024 to be deposited into the school facilities
11 special fund.

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

S.B. NO. 3073

1 (b) The director of finance is authorized to issue general
2 obligation bonds in the sum of \$100,000,000 or so much thereof
3 as may be necessary and the same sum or so much thereof as may
4 be necessary is appropriated for fiscal year 2023-2024 for
5 deposit into the school facilities special fund.

6 The sum appropriated shall be expended by the school
7 facilities authority for the purposes of this Act; provided that
8 the appropriation authorized by this Act shall not lapse at the
9 end of the fiscal biennium for which the appropriation is made;
10 provided that all moneys from the appropriation unencumbered as
11 of June 30, 2025, shall lapse as of that date.

12 SECTION 2. There is appropriated out of the school
13 facilities special fund the sum of \$200,000,000 or so much
14 thereof as may be necessary for fiscal year 2023-2024 for the
15 school facilities authority to expand access to pre-kindergarten
16 to eligible children of the State. The school facilities
17 authority may expend the moneys appropriated in this section on:

- 18 (1) The construction of new school facilities;
19 (2) The renovation, improvement, and expansion of existing
20 school facilities to increase pre-kindergarten student
21 capacity; and

S.B. NO. 3073

Report Title:

School Facilities Special Fund; General Obligation Bond
Appropriations

Description:

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. Extends the lapse date of the funds.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

SB. NO. 3073

JUSTIFICATION SHEET

DEPARTMENT: Budget and Finance

TITLE: A BILL FOR AN ACT RELATING TO THE SCHOOL FACILITIES SPECIAL FUND.

PURPOSE: To change the means of financing for a portion of funds appropriated for deposit into the School Facilities Special Fund from general funds to general obligation bond funds and to extend the lapse date of the funds.

MEANS: Amend sections 1 and 2 of Act 257, Session Laws of Hawaii 2022, as amended by Act 175, Session Laws of Hawaii 2023.

JUSTIFICATION: This bill is necessary to help balance the State financial plan by reducing the amount of general funds appropriated for deposit into the School Facilities Special Fund in fiscal year 2023-2024 by \$100,000,000 and replacing it with an appropriation of the same amount in general obligation bond funds. Extending the lapse date to June 30, 2025, is necessary to provide sufficient time to allow the School Facilities Authority to encumber the amended general fund and new general obligation fund appropriations.

The bill also extends the lapse dates on the appropriation out of the School Facilities Special Fund until June 30, 2025, to allow the School Facilities sufficient time to expend the funds for the purposes of Act 257.

Impact on the public: None.

Impact on the department and other agencies:
This bill will reduce the impact of this appropriation on the general fund.

GENERAL FUND: -\$100,000,000.

OTHER FUNDS: \$100,000,000 in general obligation bond funds (MOF: C).

PPBS PROGRAM DESIGNATION: EDN450, School Facilities Authority.

OTHER AFFECTED AGENCIES: None.

EFFECTIVE DATE: June 29, 2024.