

A Bill for an Act Relating to School Repair and Maintenance.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the backlog of repair and maintenance projects in public schools continues to be of concern and that all means of addressing the problem should be explored and supported.

The legislature finds that the Hawaii 3R's program has saved the State money by completing repair and maintenance projects at public schools that would have ordinarily been done exclusively with state funds and resources. Hawaii 3R's generates savings for the State by leveraging state grant funds with federal funds, private donations, and volunteerism or "sweat equity" from various community organizations and businesses.

In less than two and a half years, Hawaii 3R's has saved the State over \$4,000,000. This figure is determined by taking the estimated cost of the repair and maintenance projects completed in Hawaii 3R's projects (\$5,066,000) and subtracting the amount of state grant funds expended (\$1,000,000). This means that, for every state dollar expended, over five dollars worth of work is completed. It is also noteworthy that Hawaii 3R's has statewide reach, with sixty-three grants awarded to fifty-three schools on the islands of Oahu, Maui, Molokai, Kauai, and Hawaii.

Hawaii 3R's has also received approval from the Internal Revenue Service for designation as a qualified nonprofit organization under section 501(c)(3) of the Internal Revenue Code.

In Act 214, Session Laws of Hawaii 2003, the legislature appropriated from the general revenues of the State of Hawaii the sum of \$148,688 or so much thereof as may be necessary for fiscal year 2003-2004 as a grant pursuant to chapter 42F, Hawaii Revised Statutes, to Hawaii 3R's. At this time, however, the funds have yet to be released.

The legislature also finds that the public-private partnership between the State and Hawaii 3R's is effective and essential to the success of the program. Specifically, the legislature finds that the 3R's coordinator position provides the program with expertise, support, quick response, and access to state resources and information. The coordinator position also adds visibility and positive coverage to the efforts of the State.

The legislature acknowledges that Hawaii 3R's also has built a partnership with the military's Joint Venture Education Forum. This relationship benefits not only military-impacted or dependent schools but all of Hawaii's public schools through increased military partnerships. Through Joint Venture Education Forum's federal funding, Hawaii 3R's can provide grants to over one hundred military-impacted, dependent, partnered schools.

The legislature understands that it is necessary to maintain the current level of state funding to reach the estimated one hundred fifty public schools that cannot receive grants through Joint Venture Education Forum funding.

The legislature is encouraged by the level of support that the community has given to Hawaii 3R's and, more importantly, the public schools. Skilled and unskilled volunteer labor from the military, civic clubs, churches, teachers, parents, and students, combined with donations from community restaurants and businesses, have made Hawaii 3R's successful. Also, trade unions and associations have been lending invaluable support. Hawaii 3R's, with the assistance of the department of accounting and general services and the community, has created a truly successful public-private partnership.

Finally, the legislature finds that appropriating public funds to Hawaii 3R's serves the public purpose of expediting the repair and maintenance of Hawaii's public schools.

The purpose of this Act is to:

- (1) Codify a coordinator position for the Hawaii 3R's program within the department of education;
- (2) Make conforming amendments to existing statutes; and
- (3) Transfer the fiscal agency of the Hawaii 3R's repair and maintenance fund to the department of education.

SECTION 2. Section 235-110.2, Hawaii Revised Statutes, is amended by amending subsection (f) to read as follows:

“(f) The department of [~~accounting and general services~~] education shall maintain records of the names of taxpayers eligible for the credit and the total value of in-kind services contributed for the repair and maintenance of public schools for the taxable year. All contributions shall be verified by the department of [~~accounting and general services~~.] education. The department of [~~accounting and general services~~] education shall total all contributions that the department of education certifies. Upon each determination, the department of [~~accounting and general services~~] education shall issue a certificate to the taxpayer certifying:

- (1) The amount of the contribution;
- (2) That the taxpayer is licensed under chapter 444, 460J, or 464; and
- (3) That the taxpayer has obtained a current and valid certificate signed by the director of taxation, showing that the taxpayer does not owe the State any delinquent taxes, penalties, or interest.

The taxpayer shall file the certificate from the department of [~~accounting and general services~~] education with the taxpayer's tax return with the department of taxation. When the total amount of certified contributions reaches \$2,500,000, the department of [~~accounting and general services~~] education shall immediately discontinue certifying contributions and notify the department of taxation. In no instance shall the total amount of certified contributions exceed \$2,500,000 for each taxable year.”

SECTION 3. Section 302A-1502.4, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (j) to read:

“(j) All proposals submitted to Hawaii 3R's for moneys shall be approved by the department [~~of accounting and general services~~] for consistency in meeting design and materials standards for public schools.”

2. By amending subsection (l) to read:

“(l) Chapter 103D shall not apply to organizations or agencies that apply for grants or contracts under this section; provided that Hawaii 3R's shall be held accountable for the use of the funds under a contract with the department [~~of accounting and general services~~].”

3. By amending subsection (n) to read:

“(n) The fund shall be audited annually by an independent auditor. The results of each annual audit shall be submitted to the department [~~of accounting and general services~~] not later than thirty days from the date Hawaii 3R's receives the audit results. In addition, Hawaii 3R's shall retain for a period of three years and permit [~~the department of accounting and general services~~.] the department [~~of education~~], state legislators, and the auditor, or their duly authorized representatives, to inspect and have access to any documents, papers, books, records and other evidence that is pertinent to the fund.”

4. By amending subsection (q) to read:

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“(q) The ~~[state comptroller]~~ superintendent shall submit an annual report of the progress of the Hawaii 3R’s school repair and maintenance fund no later than twenty days prior to the convening of each regular session of the legislature.”

SECTION 4. Section 302A-1502.6, Hawaii Revised Statutes, is amended to read as follows:

“~~[§302A-1502.6]~~ **Providers of construction or project-related professional services for the repair and maintenance of public schools; volunteer status; coordinator position established.** (a) Pursuant to chapter 90, the department ~~[of accounting and general services]~~ shall accept as volunteers qualified professional providers of construction or project-related professional services who are under contract with ~~[Helping Hands Hawaii in its]~~ Hawaii 3R’s ~~[project]~~. The department ~~[of accounting and general services]~~ shall maintain a list of volunteers so accepted, and shall provide the professional providers with appropriate guidance, supervision, and control to reasonably protect members of the public from injury or damage. Once accepted as a volunteer by the department, ~~[of accounting and general services]~~ the professional provider shall be entitled to protection from liability for volunteers under chapter 90, unless the injury or damage is caused by or is the result of the professional provider’s wilful and wanton act or omission.

(b) There is established, within the department of education, a coordinator position to coordinate the public and private efforts to repair and maintain public schools; provided that the coordinator shall serve at the pleasure of the superintendent and may be established as a permanent position not subject to chapter 76.”

SECTION 5. It is the intent of this Act not to jeopardize the receipt of any federal aid nor to impair the obligation of the State or any agency thereof to the holders of any bond issued by the State or by any such agency, and to the extent, and only to the extent, necessary to effectuate this intent, the governor may modify the strict provisions of this Act, but shall promptly report any such modification with reasons therefore to the legislature at its next session thereafter for review by the legislature.

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect upon its approval.

(Approved July 13, 2004.)