

## LEGISLATIVE REPORT

- Subject:** Annual Report of the State Educational Facilities Improvement Special Fund
- Reference:** Section 36-32, Hawaii Revised Statutes
- Action Requested:** Annual report of the special fund's financial status and status of projects undertaken. The State Educational Facilities Improvement Special Fund and responsibility to prepare this report was transferred from the Department of Accounting and General Services to the Department of Education under Act 51, SLH 2004.
- DOE Report:** Attached is the annual report of the SEFI special fund.
- Fund Description:** The State Educational Facilities Improvement Special Fund (SEFI) is established through section 36-32, HRS. The fund's purpose is to finance the planning, design, land acquisition, construction and equipment for public school facilities. SEFI funding is authorized through section 237-31, HRS, which allows for the use of general obligation bond funds, supplemented by general excise tax revenues. All expenditures must be used for projects that have been approved through Legislative appropriation. For fiscal year 2009, a minimum of \$45 million per year is authorized by section 237-31, HRS, for the SEFI fund.
- Executive Summary:** The Annual Report of the State Educational Facilities Improvement Special Fund includes the following components:
- **Statement of Assets and Fund Balances**  
This report provides the fund's cash balance as of June 30, 2009. The cash balance as of June 30, 2009 was approximately \$10.86 million.
  - **Statement of Revenues, Expenditures, and Changes in Fund Balances**  
This report provides the fund's revenues and expenditures for FY 2008-09 and since the beginning of the fund. Currently, funds are received from general obligation bond proceeds and funds were spent on Department of Education capital projects.

- **Supplementary Schedule of Changes in Unreserved Fund Balance**

This report provides the fund's revenue since the beginning of the fund and identifies all of the fund's appropriations and lapsed amounts.

**Analysis of the Data:** The State Educational Facilities Improvement Special Fund (SEFI) received \$88.7 million in FY 2008-09. This is a decrease of \$62.7 million from amounts received in the prior year. The level of State Educational Facilities Improvement Special Fund (SEFI) revenues is requested on an annual basis based on Capital Improvement Project (CIP) projections.

**Findings:** The SEFI fund continues to meet its intended purpose.

**Recommendations:** Allow the State Educational Facilities Improvement Special Fund (SEFI) to continue to be used to plan, design, acquire lands for, and to construct public school facilities and to provide equipment and technology infrastructure to improve public schools and other facilities under the jurisdiction of the Department of Education, except public libraries, and activities of the Department of Education intended to eliminate the gap between the facility needs of schools and available resources.

STATE OF HAWAII  
DEPARTMENT OF EDUCATION  
ANNUAL REPORT OF  
THE STATE EDUCATIONAL FACILITIES IMPROVEMENT SPECIAL FUND  
FOR  
FISCAL YEAR 2008 - 2009

STATE OF HAWAII  
DEPARTMENT OF EDUCATION  
STATE EDUCATIONAL FACILITIES IMPROVEMENT SPECIAL FUND

Statement of Assets and Fund Balances  
June 30, 2009

ASSETS

Cash	<u>\$ 10,855,275.95</u>
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FUND BALANCES

Reserved for:	
Unallotted appropriations	\$ 136,957,255.00
Unencumbered allotments	365,832,782.45
Unliquidated encumbrances	<u>233,275,691.84</u>
	736,065,729.29
Unreserved (deficit)	<u>(725,210,453.34)</u>
Total fund balances	<u>\$ 10,855,275.95</u>

Definition of Reserves (State of Hawaii Accounting Manual, Volume I):

Unallotted appropriation - Portion of appropriation available for allotment. Appropriations are authorizations by the State Legislature to make expenditures and to incur obligations, generally within limitations as to purpose, amount, or time.

Unencumbered allotment - Portion of allotment not expended or encumbered. Allotments are divisions of appropriations which may be encumbered or expended during a certain period for the specific purpose of the related appropriations.

Unliquidated encumbrances - Outstanding encumbrances to be liquidated. Encumbrances are obligations in the form of purchase orders, contracts, or other such commitments that do not become liabilities until performance of the conditions stated in the commitment.

STATE OF HAWAII  
DEPARTMENT OF EDUCATION  
STATE EDUCATIONAL FACILITIES IMPROVEMENT SPECIAL FUND

Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
Period Ended June 30, 2009

	<u>Fiscal Year 2009 Only</u>	<u>Inception to Date</u>
<b>Revenues:</b>		
General excise tax	\$ -	\$ 270,000,000.00
General obligation bond proceeds	88,700,000.00	1,544,842,000.00
Interest earned	-	45,374,316.76
Prior years reimbursements recorded as revenues	<u>-</u>	<u>6,994.64</u>
 Total revenues	 <u>88,700,000.00</u>	 <u>1,860,223,311.40</u>
 <b>Expenditures:</b>		
Capital outlays in applicable DOE CIP appropriations	97,496,960.46	1,803,993,718.69
Transfer to the State general fund	<u>-</u>	<u>45,374,316.76</u>
 Total expenditures and transfers	 <u>97,496,960.46</u>	 <u>1,849,368,035.45</u>
 Excess of revenues over expenditures	 (8,796,960.46)	
 Fund balances, July 1, 2008	 <u>19,652,236.41</u>	
 Fund balances, June 30, 2009	 <u>\$ 10,855,275.95</u>	 <u>\$ 10,855,275.95</u>

STATE OF HAWAII  
DEPARTMENT OF EDUCATION  
STATE EDUCATIONAL FACILITIES IMPROVEMENT SPECIAL FUND

Supplementary Schedule of Changes in Unreserved Fund Balance  
(from Inception to Date)  
As of June 30, 2009

Revenues:

General excise tax	\$ 270,000,000.00
General obligation bond proceeds	1,544,842,000.00
Interest earned	45,374,316.76
Prior years reimbursements	<u>6,994.64</u>

Total revenues 1,860,223,311.40

Less net appropriations:

	Authorized	Lapsed	
Act 316/SLH 1989	\$ 90,000,000.00	\$ 14,116,357.71	
Act 299/SLH 1990	90,000,000.00	13,508,190.21	
Act 296/SLH 1991	90,000,000.00	22,516,236.36	
Act 300/SLH 1992	100,218,000.00	34,369,954.54	
Act 289/SLH 1993	90,466,000.00	10,542,871.57	
Act 252/SLH 1994	147,155,000.00	17,371,240.64	
Act 218/SLH 1995	90,702,100.00	6,735,445.13	
Act 287/SLH 1996	102,174,000.00	13,619,432.48	
Act 328/SLH 1997	161,014,000.00	11,522,463.92	
Act 116/SLH 1998	154,222,000.00	16,730,935.77	
Act 91/SLH 1999	111,000,000.00	5,672,819.95	
Act 281/SLH 2000	80,981,000.00	2,365,525.02	
Act 259/SLH 2001	82,495,000.00	9,980,685.43	
Act 177/SLH 2002	88,412,000.00	12,442,572.03	
Act 200/SLH 2003	72,953,000.00	11,167,561.64	
Act 41/SLH 2004	134,101,000.00	46,597,572.88	
Act 51/SLH 2004	100,000,000.00	896,879.89	
Act 178/SLH 2005	212,114,000.00	285,000.00	
Act 160/SLH 2006	150,618,000.00	-	
Act 246/SLH 2006	40,000,000.00	274,906.85	
Act 213/SLH 2007	291,958,000.00	-	
Act 158/SLH 2008	310,193,000.00	-	
	<u>\$ 2,790,776,100.00</u>	<u>\$ 250,716,652.02</u>	2,540,059,447.98

Less transferred to the general fund 45,374,316.76

Unreserved fund balances (deficit) \$ (725,210,453.34)

STATE OF HAWAII  
DEPARTMENT OF EDUCATION  
STATE EDUCATIONAL FACILITIES IMPROVEMENT SPECIAL FUND

Lease Payments for Schools Account  
(from Inception to Date)  
As of June 30, 2009

No funds have been provided in the lease payments for schools account. There are no projects undertaken using this account, and no status to report.

STATE OF HAWAII  
DEPARTMENT OF EDUCATION  
STATE EDUCATIONAL FACILITIES IMPROVEMENT SPECIAL FUND

Status of Projects  
As of June 30, 2009

Attached is a list of projects funded through SEFI. Information on individual schools is available on FACTRAK: [factrak.k12.hi.us](http://factrak.k12.hi.us). FACTRAK provides information on the status of various projects.

**SEFI ALLOTMENTS FOR FISCAL YEAR 2009**

<b>Gov Sign Date</b>	<b>Act</b>	<b>Year</b>	<b>School</b>	<b>Project</b>	<b>Allotment \$</b>
07/08/08	158	2008	Various	Lump Sum Classroom Renovations	\$ 30,000,000
07/10/08	158	2008	Various	Lump Sum School Building Improvements	\$ 15,000,000
07/10/08	158	2008		CIP Project Positions	\$ 4,600,000
07/28/08	213	2007	Central Middle School	Guardrail at Pedestrian Bridge (Additional Funds)	\$ 45,000
07/28/08	178/213	2005/2007	Various	Storm Water Discharge Plan (Additional Funds)	\$ 388,326
07/28/08	158	2008	Various	Cesspool Removal (Additional Funds)	\$ 10,000,000
08/05/08	213	2007	Various	Facilities Upgrade Study	\$ 359,000
08/05/08	213	2007	Kalihi Waena Elementary	Heat Abatement Improvements	\$ 300,000
08/05/08	213	2007	Linapuni Elementary	Soil Stabilization and Structural Repairs	\$ 800,000
09/16/08	213	2007	OCISS	Fire Alarm and Fire Escape (Additional Funds)	\$ 60,000
09/16/08	158	2008	Various	Cesspool Removal (Additional Funds)	\$ 39,020,000
10/17/08	213	2008	Aiea Intermediate	Erosion Control (Additional Funds)	\$ 261,550
11/24/08	213/158	2007/2008	Children's Discovery Center	Facility Improvements	\$ 425,000
11/24/08	158	2008	Various	Lump Sum Classroom Renovations	\$ 70,000,000
01/05/09	160	2006	Moanalua High	Auditorium/Performing Arts Center	\$ 4,700,000
01/08/09	158	2008	Kahului Elementary	Drainage Improvements	\$ 105,000
01/28/09	178	2005	McKinley High	Girls Athletic Locker Room	\$ 1,796,000
02/05/09	158	2008	Waimea High	Architectural Barrier Removal (Additional Funds)	\$ 1,580,000
02/06/09	158	2008	Hilo High	Building C Second Floor Access	\$ 151,000
02/06/09	158	2008	Keaau Middle	Architectural Barrier Removal (Design Only)	\$ 250,000
02/06/09	213/158	2007/2008	Wailuku Elementary	Replace Fire Alarm System (Additional Funds)	\$ 336,000
02/09/09	158	2008	Kalaheo High	ADA Transition (Design Only)	\$ 160,000
02/09/09	158	2008	Makalapa Elementary	Cafeteria Renovation and Expansion (Additional Funds)	\$ 175,000
02/10/09	158	2008	Hilo High	Alternative Learning Center (Lanakila Program) (Additional Funds)	\$ 500,000
02/12/09	158	2008	Various Schools	Lump Sum School Building Improvements	\$ 51,461,000
02/12/09	158	2008	Kaimuki High	Asbestos Removal (Additional Funds)	\$ 999,000
03/02/09	158	2008	Kaiser High	ADA Transition (Design Only)	\$ 140,000
03/02/09	158	2008	Kaewai and Noelani Elementary	Special Education Classroom Renovations (Additional Funds)	\$ 102,000
03/02/09	158	2008	Castle High	Special Education FSC Room Improvements	\$ 285,000
03/02/09	158	2008	Dole Middle	Telecommunications Upgrades (Additional Funds)	\$ 100,000
03/02/09	158	2008	Kailua Intermediate	Telecommunications Upgrades (Additional Funds)	\$ 940,000
03/02/09	213/158	2007/2008	Nanakuli High and Intermediate	Telecommunications Upgrades (Additional Funds)	\$ 1,160,200
03/23/09	158	2008	McKinley High	Softball Stadium (Additional Funds)	\$ 824,000
04/03/09	158	2008	Makakilo Baptist Church	New Classroom Building (Grant)	\$ 200,000
04/06/09	158	2008	Ewa Makai Middle	New School (Equipment)	\$ 800,000
04/06/09	158	2008	Various	Lump Sum Playground Equipment and Accessibility	\$ 1,500,000
04/24/09	213	2007	Kalaheo Elementary	Land Acquisition (Additional Funds)	\$ 3,734
04/24/09	158	2008	Various Central District Schools	Public Accommodation Transition Plan (Additional Funds)	\$ 837,160
05/21/09	158	2008	Radford High	ADA Transition (Design Only)	\$ 200,000
05/21/09	158	2008	Nanakuli Elementary	ADA Transition (Design Only)	\$ 150,000
05/26/09	158	2008	Ala Wai Elementary	ADA Transition Plan Improvements (Additional Funds)	\$ 240,000
06/04/09	160/213/158	2006/2007/2008	Roosevelt High	Cliff Stabilization	\$ 1,830,000
06/08/09	160	2006	Honokaa Elementary	Playground Equipment and Accessibility (Additional Funds)	\$ 132,400
<b>Total</b>					<b>\$242,916,370</b>

**SEFI ALLOTMENTS FOR FISCAL YEAR 2009**

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