

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 SEFI 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 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 2010, 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, 2010. The cash balance as of June 30, 2010 was approximately \$28.8 million.

- **Statement of Revenues, Expenditures, and Changes in Fund Balances**

This report provides the Fund's revenues and expenditures for FY 2009-10 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 SEFI received \$201.0 million in FY 2009-10. This is an increase of \$112.3 million from amounts received in the prior year. The level of 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 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 2009 - 2010

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

Statement of Assets and Fund Balances
June 30, 2010

ASSETS

Cash	\$ <u>28,836,109</u>
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FUND BALANCES

Reserved for:		
Unallotted appropriations	\$	125,277,553
Unencumbered allotments		91,623,637
Unliquidated encumbrances		<u>461,295,042</u>
		678,196,232
Unreserved (deficit)		<u>(649,360,123)</u>
Total fund balances	\$	<u>28,836,109</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, 2010

	<u>Fiscal Year 2010 Only</u>	<u>Inception to Date</u>
Revenues:		
General excise tax	\$ -	\$ 270,000,000
General obligation bond proceeds	201,000,000	1,745,842,000
Interest earned	-	45,374,317
Prior years reimbursements recorded as revenues	-	6,995
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Total revenues	201,000,000	2,061,223,312
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Expenditures:		
Capital outlays in applicable DOE CIP appropriations	183,019,167	1,987,012,886
Transfer to the State general fund	-	45,374,317
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Total expenditures and transfers	183,019,167	2,032,387,203
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Excess of revenues over expenditures	17,980,833	
Fund balances, July 1, 2009	10,855,276	
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Fund balances, June 30, 2010	\$ 28,836,109	\$ 28,836,109
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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, 2010

Revenues:		
General excise tax		\$ 270,000,000
General obligation bond proceeds		1,745,842,000
Interest earned		45,374,317
Prior years reimbursements		<u>6,995</u>
Total revenues		2,061,223,312
Less net appropriations:		
	<u>Authorized</u>	<u>Lapsed</u>
Act 316/SLH 1989	\$ 90,000,000	\$ 14,116,357
Act 299/SLH 1990	90,000,000	13,508,190
Act 296/SLH 1991	90,000,000	22,516,236
Act 300/SLH 1992	100,218,000	34,369,955
Act 289/SLH 1993	90,466,000	10,542,872
Act 252/SLH 1994	147,155,000	17,371,241
Act 218/SLH 1995	90,702,100	6,735,445
Act 287/SLH 1996	102,174,000	13,619,432
Act 328/SLH 1997	161,014,000	11,522,464
Act 116/SLH 1998	154,222,000	16,730,936
Act 91/SLH 1999	111,000,000	5,672,820
Act 281/SLH 2000	80,981,000	2,379,592
Act 259/SLH 2001	82,495,000	9,980,685
Act 177/SLH 2002	88,412,000	12,538,765
Act 200/SLH 2003	72,953,000	11,173,335
Act 41/SLH 2004	134,101,000	47,017,466
Act 51/SLH 2004	100,000,000	912,399
Act 178/SLH 2005	212,114,000	4,252,603
Act 160/SLH 2006	150,618,000	6,842,800
Act 246/SLH 2006	40,000,000	274,907
Act 213/SLH 2007	291,958,000	45,827,642
Act 158/SLH 2008	310,193,000	57,511,840
Act 162/SLH 2009	239,851,000	-
	<u>\$ 3,030,627,100</u>	<u>\$ 365,417,982</u>
		2,665,209,118
Less transferred to the general fund		<u>45,374,317</u>
Unreserved fund balances (deficit)		<u>\$ (649,360,123)</u>

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, 2010

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, 2010

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

SEFI ALLOTMENTS FOR FISCAL YEAR 2010

Gov Sign Date	Act	Year	School	Project	Allotment \$
7/10/2009	213	2007	Dole Middle	Temporary Facilities (Construction)	\$ 1,000,000
7/10/2009	158	2008	Webbing Elementary	Two Portable Classrooms (Additional Funds)	\$ 122,000
7/30/2009	158	2008	Waianae High	Swimming Pool Improvements (Additional Funds)	\$ 80,506
7/10/2009	158	2008	Ilima Intermediate and Kalihi Uka Elementary	Air Condition Computer Labs (Additional Funds)	\$ 350,000
7/30/2009	158	2008	Pohakea Elementary	Air Conditioning (Additional Funds)	\$ 3,613,000
7/16/2009	162	2009		CIP Project Positions	\$ 4,421,325
9/10/2009	160	2006	Makalapa Elementary	Cafeteria Renovation and Expansion (Revert and Reallot)	\$ -
8/20/2009	158	2008	Hilo High	Fire Alarm System in Hilo Annex (Additional Funds)	\$ 25,000
2/3/2010	158	2008	Lanai High and Elementary	Classroom Building (Construction)	\$ 8,000,000
9/10/2009	160	2006	Pearl City Highlands Elementary	Covered Walkway (Revert and Reallot)	\$ -
8/20/2009	162	2009	Various	Lump Sum Classroom Renovations (Additional Funds)	\$ 22,200,000
2/3/2010	160/158	2006/2008	Kihei High	New School (Land)	\$ 8,000,000
9/3/2009	213/158	2007/2008	McKinley High	Master Plan (Additional Funds)	\$ 85,000
10/5/2009	213/158	2007/2008	Baldwin High	Occupational Skills Classroom (Additional Funds)	\$ 169,750
10/5/2009	213	2007	Kilauea Elementary	Cafeteria (Revert and Reallot)	\$ -
10/16/2009	213	2007	Mililani High	Drop Off Area, Turn Around, Guest Parking (Revert and Reallot)	\$ -
10/12/2009	162	2009	Various	Lump Sum School Building Improvements	\$ 75,000,000
11/24/2009	160/158	2006/2008	Webbing Elementary	Two Portable Classrooms (Revert and Reallot)	\$ -
11/23/2009	158	2008	Waimea High	Architectural Barrier Removal (Additional Funds)	\$ 61,290
11/24/2009	178	2005	Kaimuki High	Renovation for Media Center (Revert and Reallot)	\$ -
12/30/2009	178	2005	Aiea Intermediate	Bus Stop Overhang (Revert and Reallot)	\$ -
12/30/2009	178	2005	Kamaile Elementary	Air Condition Portables; Electrical Upgrade (Revert and Reallot)	\$ -
1/4/2010	160	2006	Leilehua High	Baseball Park (Revert and Reallot)	\$ -
1/4/2010	158	2008	Ewa Beach Elementary	Six Classroom Building (Additional Funds)	\$ 5,226
1/4/2010	213	2007	Hawaii Center for the Deaf and Blind	Architectural Barrier Removal (Revert and Reallot)	\$ -
3/22/2010	178	2005	Pearl City Elementary	Expand and Improve Library (Revert and Reallot)	\$ -
2/24/2010	158	2008	Hilo High	Fire Alarm System in Hilo Annex (Revert and Reallot)	\$ -
2/24/2010	160	2006	Various	Playground Equipment and Accessibility (Revert and Reallot)	\$ -
2/24/2010	178	2005	Aiea Intermediate	Portable Classrooms (Revert and Reallot)	\$ -
4/20/2010	162	2009	School Food Services Office	Accessibility to Office (Additional Funds)	\$ 72,000
2/24/2010	158	2008	Webbing Elementary	Portable Classrooms (Additional Funds)	\$ 250,000
3/15/2010	162	2009	Various Schools	Classroom Renovations (Additional Funds)	\$ 7,800,000
2/24/2010	162	2009	Hilo High	Gymnasium (Additional Funds)	\$ 1,000,000
3/11/2010	158	2008	Leilehua High	Football Field Improvements (Additional Funds)	\$ 1,500,000
3/22/2010	160/213	2006/2007	Wailuku II Elementary	New School (Revert and Reallot)	\$ -
4/5/2010	162	2009	Hookena Elementary	Building A Accessible Ramp (Additional Funds)	\$ 334,000
3/29/2010	162	2009	McKinley High	Softball Stadium (Additional Funds)	\$ 952,000
4/5/2010	162	2009	Maui High	Softball Stadium (Additional Funds)	\$ 149,000
4/5/2010	162	2009	Baldwin High	Softball Field	\$ 1,072,000
3/22/2010	160	2006	Hilo High	Gymnasium (Revert and Reallot)	\$ -
3/22/2010	158	2008	Pearl City Elementary	Expand and Improve Library (Additional Funds)	\$ 500,000
4/1/2010	160	2006	Ilima Intermediate and Kalihi Uka Elementary	Air Condition Computer Labs (Revert and Reallot)	\$ -
4/1/2010	158	2008	Central Middle School	Guardrail at Pedestrian Bridge (Additional Funds)	\$ 6,000
4/20/2010	158	2008	Kapaa High	Softball Stadium (Additional Funds)	\$ 690,000
5/13/2010	160	2006	Aiea High	Administration Expansion and Renovation (Revert and Reallot)	\$ -
4/20/2010	162	2009	Waimea High	Architectural Barrier Removal (Additional Funds)	\$ 140,000
5/3/2010	213	2007	Hokulani Elementary	Site Drainage Improvements (Additional Funds)	\$ 3,129
6/1/2010	178	2005	Baldwin High	New Library (Revert and Reallot)	\$ -
6/21/2010	162	2009	Hokulani Elementary	ADA Transition	\$ 375,000
6/30/2010	162	2009	Molokai High	Grease Trap	\$ 347,100
6/21/2010	162	2009	Kaneohe Elementary	Slope Stabilization	\$ 350,000
6/21/2010	158	2008	Various	Impact Fee Appraisals	\$ 20,000
6/1/2010	213	2007	Waimalu Elementary	Library Expansion (Additional Funds)	\$ 535,500
6/21/2010	178	2005	Maui Waena Intermediate	Classroom Building (Revert and Reallot)	\$ -
6/21/2010	162	2009	Central Middle	Guardrail at Pedestrian Bridge (Additional Funds)	\$ 250,000
6/21/2010	160	2006	Mokulele Elementary	Parking Improvements (Revert and Reallot)	\$ -
6/24/2010	162	2009	Konawaena High	Softball Field (Additional Funds)	\$ 40,000
6/21/2010	178	2005	McKinley High	Girls Athletic Locker Rm (Revert and Reallot)	\$ -
6/21/2010	213	2007	Kalaheo Elementary	Administration Building (Revert and Reallot)	\$ -
6/24/2010	160	2006	Moanalua High	Auditorium/Performing Arts Ctr (Revert & Reallot)	\$ -
Total					\$139,518,826