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# A BILL FOR AN ACT

RELATING TO ENERGY.

**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. There is a need to install air conditioning and  
5 other heat abatement equipment in public school classrooms to  
6 preserve and promote the health and safety of students and  
7 teachers, and to foster a better and more comfortable and  
8 productive learning environment. With the current El Nino  
9 conditions, high temperatures in classrooms during the summer  
10 months will be a continuing problem that must be addressed. In  
11 order to keep the costs of operating air conditioning and heat  
12 abatement equipment in the classrooms affordable and to reduce  
13 dependence on imported fossil fuels, energy efficient lighting  
14 and other energy efficiency measures will also be necessary in  
15 conjunction with the air conditioning and other heat abatement  
16 measures.

17           In order to upgrade one thousand classrooms by the end of  
18 calendar year 2016 and to cool as many classrooms as possible



1 during the hottest months, this project must proceed as quickly  
2 as possible. Additionally, work done during the summer break  
3 will minimize classroom disruption and constraints on contractor  
4 work conditions. To facilitate this schedule, funding needs to  
5 be authorized immediately to allow the permitting and  
6 contracting to proceed.

7 The legislature finds that the funding is immediately  
8 available to provide air conditioning and other heat abatement  
9 measures for the public schools. On January 7, 2016, the  
10 department of budget and finance reported to the council on  
11 revenues that the State will receive approximately \$170,000,000  
12 of increased reimbursements from the federal government,  
13 primarily for medicaid. The \$170,000,000 increased  
14 reimbursement was not anticipated by the administration when it  
15 prepared the executive supplemental budget request for fiscal  
16 year 2016-2017. The reimbursement is the realization of the  
17 general fund.

18 The legislature further finds that the use of general funds  
19 for providing air conditioning and heat abatement for public  
20 schools is preferable to using green infrastructure loan funds.  
21 First, the department of education will have more flexibility in



1 using general funds for air conditioning and heat abatement  
2 measures. The types of projects that the department of  
3 education would have been able to fund with green infrastructure  
4 loan funds were unclear and apparently limited to energy  
5 efficiency and conservation projects. Second, using general  
6 funds instead of green infrastructure loan funds precludes the  
7 need for annual debt service payments. Taxpayers who already  
8 are paying a monthly green infrastructure fee on their  
9 electricity bills will benefit by not having to pay back the  
10 green infrastructure fund for principal as well as interest.  
11 Third, the green infrastructure loan funds will remain available  
12 for projects that truly promote renewable energy and energy  
13 efficiency and conservation. Using the green infrastructure  
14 loan funds for utility-scale projects, as recommended by the  
15 consumer advocate before the public utilities commission, may be  
16 a possibility in the future.

17 The purpose of this Act is to:

18 (1) Appropriate general funds for the installation of and  
19 equipment for air conditioning, heat abatement, energy  
20 efficient lighting, and other energy efficiency



1 measures for schools of the department of education;  
2 and

3 (2) Authorize general obligation bond funds to the  
4 department of education and appropriate the revenue  
5 derived therefrom for the installation of and  
6 equipment for air conditioning, heat abatement, energy  
7 efficient lighting, and other energy efficiency  
8 measures.

9 SECTION 3. There is appropriated out of the general  
10 revenues of the State of Hawaii the sum of \$100,000,000 or so  
11 much thereof as may be necessary for fiscal year 2015-2016 for  
12 the purpose of funding capital improvement program equipment and  
13 installation costs for air conditioning, other heat abatement  
14 measures, energy efficient lighting, and other energy efficiency  
15 measures at public schools.

16 The sum appropriated shall be expended by the department of  
17 education for the purposes of this Act.

18 SECTION 4. The director of finance is authorized to issue  
19 general obligation bonds in the sum of \$30,000,000 or so much  
20 thereof as may be necessary and the same sum or so much thereof  
21 as may be necessary is appropriated for fiscal year 2015-2016



1 for the purpose of funding capital improvement program equipment  
2 and installation costs for air conditioning, other heat  
3 abatement measures, energy efficient lighting, and other energy  
4 efficiency measures at public schools.

5 The sum appropriated shall be expended by the department of  
6 education for the purposes of this Act.

7 SECTION 5. The appropriations made under sections 3 and 4  
8 shall not lapse at the end of the fiscal year for which the  
9 appropriations are made; provided that all moneys from the  
10 appropriations unencumbered as of June 30, 2018, shall lapse as  
11 of that date.

12 SECTION 6. This Act shall take effect upon its approval.

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**Report Title:**

Public Schools; Emergency Appropriation; GO Bonds; General Funds

**Description:**

Provides for air conditioning, heat abatement, and related energy efficiency measures at public schools by appropriating general funds and general obligation bond funds to the DOE for these projects. (SD1)

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