December 3, 2015

The Honorable Ronald D. Kouchi, President
and Members of the Senate
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Joseph M. Souki, Speaker
and Members of the House of
Representatives
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Souki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the report relating to trust funds of the Department of Education, pursuant to §302A-1311, HRS. In accordance with Section 93-16, Hawaii Revised Statutes, I am also informing you that the report may be viewed electronically at: http://www.hawaiipublicschools.org/VisionForSuccess/SchoolDataAndReports/StateReports/Pages/Legislative-reports.aspx

Very truly yours,

Kathryn S. Matayoshi
Superintendent

KSM:ks
Enclosure

c: Legislative Reference Bureau
   Budget Branch
LEGISLATIVE REPORT

SUBJECT: Relating to Trust Funds of the Department of Education

REFERENCE: Section 302A-1311, Hawaii Revised Statutes

ACTION REQUESTED: The Department shall submit a report annually to the governor and legislature of all expenditures in excess of each trust fund’s appropriation for each fiscal year.

DOE REPORT: Fiscal Year 2014-15 expenditures and encumbrances for the EDN100 Foundations and Other Grants Trust Fund exceeded the $10 million appropriation ceiling by $6,667,028. The single largest source of expenditures and encumbrances was risk management for fire & casualty losses at $7,381,429. This level of activity for risk management for fire & casualty and earthquake losses was extraordinary, as the total level of expenditures and encumbrances for the previous two fiscal years was $1,050,528.

RECOMMENDATIONS: No recommended action at this time. The Department will continue to monitor trust fund expenditures in relation to appropriation ceilings, exercise the authority granted under Section 302A-1311, if necessary, and will seek ceiling adjustments in the future if projected expenditures indicate a need to do so.