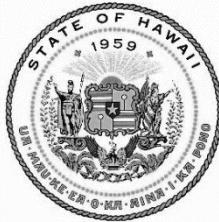


JOSH GREEN, M.D.
GOVERNOR

RIKI FUJITANI
EXECUTIVE DIRECTOR



**STATE OF HAWAI'I
SCHOOL FACILITIES AUTHORITY**
2759 S. KING STREET, ROOM H201
HONOLULU, HAWAI'I 96826

December 18, 2025

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

The Honorable Nadine K. Nakamura, Speaker
and Members of the House of
Representatives
State Capitol, Room 431
Honolulu, Hawai'i 96813

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

For your information and consideration, I am transmitting a copy of the Hawai'i School Facilities Authority's annual report as required by Section 302A-1707, Hawai'i Revised Statutes. In accordance with Section 93-16, Hawai'i Revised Statutes, I am also informing you that the report may be viewed electronically at:

<https://www.hisfa.org/legislative-reports/>

Sincerely,

Riki Fujitani
Executive Director

cc: Legislative Reference Bureau
Board of Education (via email)
Office of the Governor (via email)
Office of the Lieutenant Governor (via email)
Department of Budget and Finance (via email)
Office of the Auditor (via email)
Hawaii State Public Library System Publications Distribution Center (via email)

Enclosure



Annual Report Fiscal Year 2025

A Report to the Governor, Legislature, and Board of Education



**Hawai'i School
Facilities Authority**



About this Report

The Hawai'i School Facilities Authority (SFA) is pleased to present this annual report to Governor Josh Green, the Hawai'i State Legislature, and the Board of Education to fulfill the requirements of Hawai'i Revised Statutes (HRS) Section 301A-1707. This report provides a detailed summary of our activities for this past fiscal year, from July 1, 2024, to June 30, 2025.

This annual report also includes the total amount of funds in SFA's special fund being carried over from the fiscal year ending June 30, 2025 (FY25), to the fiscal year ending June 30, 2026 (FY26), as required by HRS Section 302A-1706. This financial information, which was submitted to the director of finance within 90 days after the close of last fiscal year, is included in this report to the legislature as Exhibit A.

Our Statutory Responsibilities

The SFA is charged with the development, planning, and construction of public school capital improvement projects, including preschool facilities and workforce housing for educators. The SFA may acquire property, receive gifts and grants, and contract or partner with qualified parties, among other things, to accomplish this objective.

The SFA is also responsible for managing school impact fees, which are paid by housing developers in certain designated school impact districts to offset the costs of adding school capacity. The SFA is led by a five-member board appointed by the governor and an executive director who is appointed by the board.



Our Accomplishments in FY25

In FY25, SFA continued to focus on three critical areas to expand and improve public school facilities:

- Building new preschool classrooms
- School modernization initiatives, including the development of a new Central Maui school
- Creating teacher workforce housing

SFA made significant progress in these three areas this past fiscal year.



**Hawai'i School
Facilities Authority**

New Preschool Classrooms



Building Preschool Classrooms

Highlights

SFA's preschool expansion program aims to add capacity for more than 8,000 children statewide by 2032. SFA leveraged lump sum funding to rapidly stand up a statewide capital improvement program while deploying resources to advance more than 100 construction projects since program inception. These capital improvement projects typically require 12 to 18 months from funding deployment to construction completion, resulting in an expected lag between appropriations and delivered capacity.

- In FY25, SFA completed 45 classroom conversions, expanding statewide capacity by 799 seats and bringing the cumulative total to more than 1,000 new seats since program inception.
- In FY26, projects already underway are projected to add more than 350 additional seats, increasing cumulative expansion to approximately 1,370 seats, or 17 percent of the program goal.
- FY26 also marks a major program milestone as SFA begins awarding large new construction projects. These projects are projected to add more than 600 seats in FY27, bringing total cumulative expansion above 2,000 seats.

Additional Funding

In 2024, the legislature appropriated \$100 million to expand prekindergarten capacity (Act 230, SLH 2024). Governor Green released and transferred approximately \$34 million of those funds into SFA's account. These funds will allow SFA to rapidly renovate or build additional new prekindergarten classrooms.

SFA anticipates encumbering the full \$100 million of FY24–FY25 capital improvement program appropriations by June 2026. These funds will allow SFA to rapidly renovate or build additional new prekindergarten classrooms.



New Builds

In addition to classroom renovations, SFA also builds new preschool classes. In FY25, SFA partnered with the University of Hawai'i (UH) at Mānoa, investing \$10 million for eight preschool classrooms, which will open in the fall. These classrooms will be located on the ground floor of Hale Haukani, a new, \$170-million graduate student housing complex. The new housing complex will consist of two residential towers with a total 316 units on Dole Street.

The UH Mānoa Children's Center, which is operating the preschool program, will have eight classrooms that can each accommodate up to 126 children.

SFA also identified a project at Mālama Honua Public Charter School in Waimānalo, and transferred \$1.5 million to the State Public Charter School Commission in FY25 to build a preschool classroom for this school.

Thinking outside the DOE, the SFA also partnered with the Hawai'i State Public Library System, and committed to investing \$4 million for a two-classroom preschool project at Pearl City Library. The classrooms will be a part of the library's \$35 million makeover to transform the site into a multi-purpose community space.

Prekindergarten Hubs

SFA is embarking on a new construction strategy of building prekindergarten centers, consisting of four to eight classrooms each. SFA started the design process on a new construction prekindergarten center project at the 'Imiloa Astronomy Center at the UH Hilo, which is projected to be completed by 2027.

In addition, SFA is in the design phase for prekindergarten centers in partnership with Kanuikapono Public Charter School in Anahola, Kaua'i, and Kamaile Academy Public Charter School in Wai'anae, O'ahu. SFA's preschool expansion program is built on a foundation of partnership with other agencies and we have made progress with the Public Charter School Commission, several charter schools, Department of Accounting and General Services, Hawai'i Department of Transportation, Department of Hawaiian Home Lands, and the counties. Land acquisitions are also underway in areas where partnerships are not available.



**Hawai'i School
Facilities Authority**

School Modernization



School Modernization Initiative

With the planned housing development in Waikapū in Central Maui, building school infrastructure to support the educational needs of Central Maui families has been a priority for the legislators. The influx of Maui families from Lahaina as result of the 2023 wildfires made this an even more urgent need.

In 2022, the legislature allocated \$20 million to develop a new elementary and middle school in Central Maui (Act 248, SLH 2022). This entire appropriation has been encumbered for planning and design. The project will unfold in two phases:

Phase 1:

Establish the middle school for 600 students, targeting an opening in fall 2030 with a capacity of 300 and expanding it to 600 within two years,

Phase 2:

Construct the elementary school for 550 students.



Standardized Designs for Cost Savings

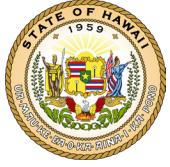
As part of the planning and design stage, SFA has identified ways to work more efficiently and to better manage the allocated budget to enhance construction outcomes. The SFA is establishing four key standards:

- 1)** Design guidelines
- 2)** Construction specifications
- 3)** Technical drawings, and
- 4)** Commissioning plans.

The standardization of these elements is anticipated to streamline the design phase, mitigate the potential for costly construction errors, and elevate the overall quality of school facilities.

In 2024, the legislature appropriated an additional \$19 million to move the central Maui school forward (Act 164, SLH 2023 allocated \$10 million and Act 230, SLH 2024 allocated \$9 million. These funds are designated for planning, design, and construction of Phase 1.

Community engagement for this project commenced in May 2025 and is ongoing. The SFA plans to initiate contracts for land acquisition and design-build services in FY26.



**Hawai'i School
Facilities Authority**

Educator Workforce Housing



Educator Workforce Housing

The educator workforce housing project on the Mililani High School lower campus is moving forward and is now in the preliminary stages of the environmental assessment process. There has been a significant change in sentiment from the time the project was first announced in FY25.

The project initially met resistance and the community expressed concerns about the housing on the upper campus because of the impact to the school's agricultural program. In FY25, SFA invested significant resources and time to attend multiple neighborhood board meetings and hold community meetings in collaboration with Pacific Housing Assistance Corporation, the Hawai'i-based nonprofit developer selected for this public-private partnership. After listening to input from the community, SFA decided to relocate the proposed project from the school's agricultural field to a location closer to the athletic fields.

In 2025, the legislature appropriated \$2 million to the Mililani High School teacher workforce housing project (Act 204, SLH 2025). Due diligence and pre-design work are currently being conducted on the project. SFA has also encumbered a previous \$5 million allocation for educator housing, and SFA is using this to facilitate and coordinate public-private partnership opportunities between the SFA and the private sector to build educator workforce housing.



Governance and Operational Updates

In November 2024, the SFA Board adopted a strategic framework to guide the SFA's work. The strategic framework focuses on preschool expansion, school modernization, workforce housing, and statewide planning.

In December 2024, the SFA Board evaluated Executive Director Riki Fujitani's performance and gave him an overall rating of "highly effective." In March 2025, the SFA Board approved and executed an employment contract with Executive Director Fujitani for a term ending June 30, 2027.



**Hawai'i School
Facilities Authority**

Hawai'i School Facilities Authority
2759 S. King Street
Honolulu, Hawai'i 96826

hawaiisfa.org

Exhibit A

**School Facilities Special Fund Report
for Fiscal Year Ending June 30, 2025**

JOSH GREEN, M.D.
GOVERNOR

RIKI FUJITANI
EXECUTIVE DIRECTOR



**Hawai'i School
Facilities Authority**

2759 S. KING STREET
HONOLULU, HAWA'I 96826

September 30, 2025

MEMORANDUM

TO: Luis P. Salaveria
Director of Finance, Department of Budget and Finance

FROM: Riki Fujitani *Riki Fujitani*
Executive Director, Hawai'i School Facilities Authority

SUBJECT: School Facilities Special Fund Report for Fiscal Year End 2025

Hawai'i Revised Statutes §302A-1706 requires the School Facilities Authority to annually report to the Director of Finance the total amount of funds in the School Facilities Special Fund that will carry over to the next fiscal year.

Should you have any questions regarding the report, please contact Administrative Services Officer, Kenyon Tam, at (415) 226-6521 or email kenyon.tam@hisfa.org.

Attachment

**HAWAI'I SCHOOL FACILITIES AUTHORITY
SCHOOL FACILITIES SPECIAL FUND**

This report provides an update on the School Facilities Special Fund (SFSF), as required under Section §302A-1706, Hawai'i Revised Statutes (HRS). The SFSF was established through Act 72, SLH 2020, and further clarified by Act 217, SLH 2021 to support school development, planning, and construction projects under the jurisdiction of the Hawai'i School Facilities Authority (SFA).

In fiscal year 2025, the SFSF did not receive any new revenue or appropriations. However, the SFA closed several purchase orders from prior fiscal years in account S-358-E, resulting in savings of over \$3,916,015.88. These savings were due to actual project costs being lower than originally projected.

As of this report, the fund remains unused, pending legislative approval to authorize expenditure of the remaining balance.

Account	<u>S-358-E</u>	<u>S-359-E</u>
Beginning Balance		
Carried Over from FY 2025	872,485.89	0.00
Appropriations	0.00	0.00
Revenue	0.00	0.00
Transfers	0.00	0.00
Unallotted Appropriations	4,788,501.77	0.00
Available Allotments	0.00	0.00
Total Unallotted Appropriations & Available Allotments	4,788,501.77	0.00
Total Carry Over to FY 2026	4,788,501.77	0.00