

JOSH GREEN, M.D.
GOVERNOR

RIKI FUJITANI
EXECUTIVE DIRECTOR



Hawai'i School Facilities Authority

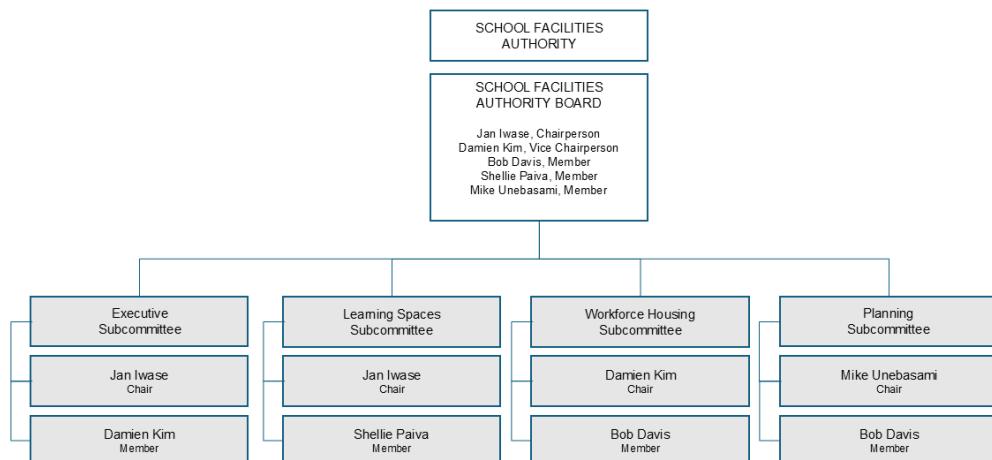
2759 S. KING STREET
HONOLULU, HAWAII 96826

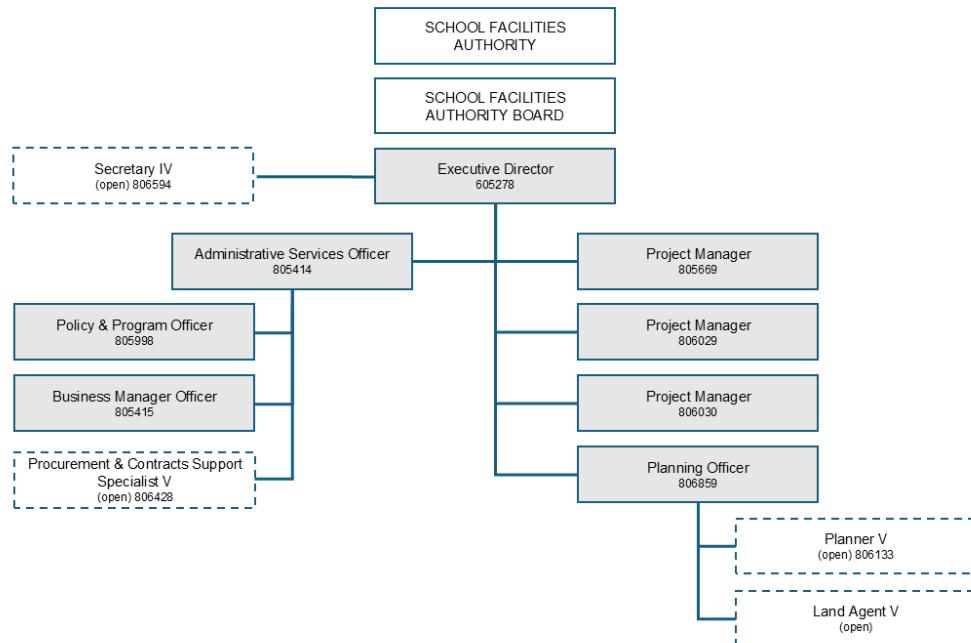
House Committee on Finance FB 2025-27 Legislative Budget Briefing

A. Mission statement, organizational chart, strategic objectives, goals, and performance metrics.

Hawai'i School Facilities Authority (SFA) supports the State's goal of helping every child experience academic success by developing facilities that meet the needs of students and that helps to build the workforce of qualified, licensed teachers. SFA focuses on building modern learning spaces for public schools and contemporary living environments for workforce housing on public lands through improved government processes that maximize the long-term value of our projects while accelerating their completion time.

SFA is administratively attached to the Hawaii Department of Education (HDOE). The HDOE organizational chart is available on their website at <https://hawaiipublicschools.org/wp-content/uploads/Plan-of-Organization.pdf>. The SFA is led by a five-member board appointed by the governor and an executive director appointed by the board. Currently, SFA employs eight staff members. Below is a detailed organizational chart highlighting the leadership and staff structure within the SFA as of November 25, 2025.





SFA has three main initiatives: expansion of preschools, a new Central Maui school, and workforce housing. SFA approaches its work with a strong emphasis on statewide planning. To assess the effectiveness of these initiatives, SFA collects and analyzes data, including detailed progress reports that track the budgetary allocations and timelines and milestones for project completion. By systematically evaluating these elements, we aim to enhance efficiency, transparency, accountability, and the overall effectiveness of our capital improvement initiatives.

B. Current statewide conditions affecting operations

Economy. According to Hawaii's Department of Business, Economic Development and Tourism's (DBEDT) Q3 2025 Economic Outlook, inflationary pressures are projected to intensify in the latter half of 2025 and into early 2026 as the impact of increased tariffs permeates the economy. Rising construction costs driven by inflation may affect SFA's preschool expansion and the development of the new Central Maui school, potentially limiting the scope of these initiatives due to higher pricing.

C. Federal funds

SFA does not have any programs or projects receiving federal funds.

D. Non-general funds

SFA submitted its special fund report for FY25, which can be found on our website, <https://www.hisfa.org/legislative-reports/>.

E. Budget request prioritization

SFA staff conduct a thorough review of all projects assigned to the agency, evaluating current funding levels and available financing mechanisms. Each project is analyzed to determine whether additional resources are necessary for completion. Based on these evaluations, staff prepare funding projections and submit them to the SFA Board. The Board considers these projections and determines whether they should be incorporated into the agency's budget requests to the governor. The Executive Director then prioritizes funding requests according to their alignment with SFA's statutory responsibilities and strategic objectives.

F. Budget request adjustments

Expansion of Prekindergarten. SFA is aligned with the Ready Keiki initiative, which aims to provide access to preschool to all three-and four-year olds in the state by 2032. As of FY25, SFA has contributed to the creation of approximately 1,000 new preschool seats, expanding statewide access. This expansion is driven by four key strategies: minor renovations, major renovations, construction of traditional buildings, and development of preschool hubs. The capital improvement program (CIP) supplemental budget request to further expand prekindergarten capacity includes funding for planning, design, and construction of 41 classrooms. These projects encompass new facilities as well as renovation, improvement, and expansion of existing school sites, including necessary ground and site work, equipment, and appurtenances.

<u>Division</u>	<u>Description of Function</u>	<u>Activities</u>	<u>Prog ID(s)</u>	<u>Dept-Wide</u>	<u>Statutory Reference</u>
SFA	Developing, planning, and constructing public school projects assigned by the legislature, governor, or board of education	Procuring and managing contractors for the design, planning, construction, and/or renovation of projects; identifying financing methods and administering funds to achieve projects; identifying and managing land and facility assets needed for projects; developing and administering rules and regulations for certain types of projects, such as public-private partnerships, preschools, workforce housing, and new schools.	EDN450	1	HRS §302A-1703
	Administration of school impact fees	Preparing impact fee analysis for designated school impact districts; calculate impact fees, update costs per student, and update data reflecting recent conditions in impact fee calculations; execute agreements for payment or education contribution agreements with developers; collect fees; refund fees and execute agreements for reimbursement	EDN450	2	HRS Chapter 302A, Part VI, Subpart B

Fiscal Year 2026						
	Budget Acts	Reductions	Additions		Total FY26	MOF
	\$ 1,731,283.00				\$ 1,731,283.00	A
	\$ 55,000,000.00				\$ 55,000,000.00	C
					\$ -	
					\$ -	
					\$ -	
					\$ -	
	\$ 56,731,283.00	\$ -	\$ -	\$ -	\$ 56,731,283.00	Total
Fiscal Year 2027						
	Budget Acts	Reductions	Additions		Total FY27	MOF
	\$ 1,738,979.00				\$ 1,738,979.00	A
					\$ -	
					\$ -	
					\$ -	
					\$ -	
	\$ 1,738,979.00	\$ -	\$ -	\$ -	\$ 1,738,979.00	Total

Prog ID	Program Title	MOF	As budgeted (FY26)			As budgeted (FY27)			Governor's Submittal (FY26)				Governor's Submittal (FY27)			
			Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Percent	Pos (P)	Pos (T)	\$\$\$	Percent
EDN450	SCHOOL FACILITIES AUTHC	A	12.00		\$ 1,731,283.00	12.00		\$1,738,979.00				-100%				-100%
EDN450	SCHOOL FACILITIES AUTHC	C			\$55,000,000.00											

Prog ID	Sub-Org	Type of	Description of Request	MOE	Priority #	Initial Department Requests						Budget and Finance Recommendations						Governor's Decision					
						FY26			FY27			FY26			FY27			FY26			FY27		
						Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$
		N/A																					

<u>Fiscal</u>	<u>Prog ID</u>	<u>Sub-Org</u>	<u>MOF</u>	<u>Budgeted by</u>	<u>Restriction</u>	<u>Difference</u>	<u>Percent Difference</u>	<u>Impact</u>
2026	EDN450	OS	A	\$ 2,000,000	\$ 200,000	\$ 1,800,000	10.00%	Restriction of funds from Act 204/2025 for the Mililani teacher housing project risks slowing down the pre-development activities.

<u>Prog ID</u>	<u>Description of Request</u>	<u>Explanation of Request</u>	<u>MOE</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$</u>
N/A	N/A					

<u>From</u>	<u>To</u>	<u>Actual or</u>	<u>MOF</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$</u>	<u>Percent of Program ID</u>	<u>Percent of Receiving</u>	<u>Reason for Transfer</u>	<u>Recurring</u>
N/A										

<u>Prog ID</u>	<u>Sub-Org</u>	<u>Date of</u>	<u>Expected</u>	<u>Position</u>	<u>Position Title</u>	<u>Exempt</u>	<u>SR</u>	<u>BU</u>	<u>Perm</u>	<u>FTE</u>	<u>MOF</u>	<u>Budgeted</u>	<u>Actual Salary</u>	<u>Authority</u>	<u>Occupied by</u>	<u># of 89 Hire</u>	<u>Describe if Filled</u>
EDN450	OS	11/17/2025	3/1/2026	806428	PROCUREMENT AND CONTRAC	N	24	13	P	1.00	A	\$ 71,016	\$ 72,516	Y	N	0	N/A
EDN450	OS	2/6/2024	3/1/2026	806133	PLANNER V	N	24	13	P	1.00	A	\$ 71,016	\$ -	Y	N	0	N/A
EDN450	OS	3/5/2024	3/1/2026	806594	SECRETARY IV	N	18	63	P	1.00	A	\$ 54,984	\$ -	Y	N	0	N/A
EDN450	OS	11/24/2025	3/1/2026	807076	LAND AGENT V	N	24	13	P	1.00	A	\$ 71,016	\$ -	Y	N	0	N/A

<u>Prog ID</u>	<u>Sub-Org</u>	<u>Date</u>	<u>Legal</u>	<u>Position</u>	<u>Position</u>	<u>Exempt</u>	<u>SR Level</u>	<u>BU Code</u>	<u>T/P</u>	<u>MOF</u>	<u>FTE</u>	<u>Annual Salary</u>	<u>Filled</u>	<u>Occupied</u>
N/A														

Prog ID	MOF	Amount	Frequency (M/A/O)	Max Value	Outstanding Balance	Term of Contract			Entity	Contract Description	Explanation of How Contract is Monitored	POS Y/N	Category E/L/P/C/G/S/*
						Date Executed	From	To					
EDN450	A	\$ 95,288	O - Payment	\$ 100,000.00	\$ 20,593	4/30/2025	5/1/2025	2/28/2026	Strategic Communication Solutions, LLC	Marketing and Communication Services	Services and invoices are reviewed by designated personnel	Y	S

Prog ID	Project Title	MOF	Prog ID	Dept-	DEPT REQUESTS (IN 000s)		GOV DECISION (IN 000s)		LEGISLATIVE DISTRICT	
					FY26 AMT	FY27 AMT	FY26 AMT	FY 27 AMT	SENATE	HOUSE
EDN450	NEW CENTRAL MAUI ELEMENTARY AND MIDDLE	C	1	1		92,000,000		0	6	10
EDN450	LUMP SUM CIP - PRE-KINDERGARTEN CAPACITY	B	2	2		4,894,000		4,894,000	0	0
EDN450	LUMP SUM CIP - PRE-KINDERGARTEN CAPACITY	C	2	2		27,106,000		27,106,000	0	0
EDN450	LUMP SUM CIP - EDUCATOR HOUSING, STATEWIDE	C	3	3		19,000,000		0	0	0

<u>Prog ID</u>	<u>Act/Year of</u>	<u>Project Title</u>	<u>MOF</u>	<u>Lapse Amount</u>	<u>Reason</u>
N/A					

<u>Program ID</u>	<u>Sub-Org</u>	<u>Name</u>	<u>Objective</u>
EDN450	OS	SCHOOL FACILITIES AUTHORITY	TO PLAN AND CONSTRUCT MODERN LEARNING AND LIVING

Prog ID	Fiscal Impact	Amount Requested	FTE Requested	Budget for Personnel	Budget for OCE (Other Than Contracts)	Budget for Contracts	Dates of Initiative		Initiative Description	Is This A New Initiative Or An Enhancement To An Existing Initiative/Program	Plan for continuation of initiative (if applicable)
							From	To			
	N/A										

Prog ID	Appropriating Act	Amount Allotted	FTE Allotted	Budget for Personnel	Budget for OCE (Other Than Contracts)	Budget for Contracts	Dates of Initiative		Initiative Description	Is This A New Initiative Or An Enhancement To An Existing Initiative/Program	Plan for continuation of initiative (if applicable)
							From	To			
EDN450	230/24; 250/25	\$ 34,355,250	\$ -	0	0	\$ 120,000,000	7/7/2022	Present	Expansion of Pre-Kindergarten Facilities	Continuation of Act 257/22	SFA is pursuing three key strategies to create more preschool spaces Statewide: 1. Renovate existing classrooms, 2. Build new preschool facilities, and 3. Invest funds in preschool projects that are being executed by other state agencies. https://www.hisfa.org/preschools
EDN450	230/24; 250/25; 204/25	\$ 19,000,000	\$ -	0	0	\$ 56,000,000	7/7/2022	Present	New Central Maui School	Continuation of Act 248/22	School Modernization currently focuses on Central Maui New Schools. https://newcentralmauischool.org/
EDN450	204/25	\$ 1,800,000	\$ -	0	0	\$ 2,000,000	7/7/2022	Present	Mililani Workforce Housing	Continuation of Act 172/23	Workforce Housing program currently focuses on Mililani Workforce Housing project. https://mililanihousing.org/

<u>Prog ID</u>	<u>Sub-Org</u>	<u>Position</u>	<u>Position</u>	<u>Exempt</u>	<u>SR Level</u>	<u>BU Code</u>	<u>T/P</u>	<u>MOF</u>	<u>FTE</u>	<u>Budgeted</u>	<u>Actual Salary</u>	<u>Occupied</u>	<u>Legal</u>	<u>Source of</u>	<u>Date of</u>	<u>Person</u>
N/A																

Build less, solve more is a design and construction philosophy that emphasizes efficiency, minimal viable solutions, and maximizing impact by focusing on core problems.

Philosophy	1 Pre-K	2 New Central Maui School	3 Workforce Housing Education	Hawaii Public Schools
Why Build?	<ul style="list-style-type: none"> Ready Keiki is the state's multi-faceted plan to ensure all Hawai'i children are ready for kindergarten Hawaii "Walking the Talk" for access to Pre-K 	<ul style="list-style-type: none"> Overcrowded middle schools due to families moving to Central Maui from West Maui 4,800 new housing units Central Maui in the next decade 	<ul style="list-style-type: none"> Teacher recruitment Teacher retention Teacher housing survey 2024 – Mililani #1 Oahu location interest 9,668 responses 	<ul style="list-style-type: none"> What do we have? Asset Inventory What is the condition? Facilities Condition Index What is the utilization? Enrollment to Capacity Ratio
What to Build?	<ul style="list-style-type: none"> Phase I – Renovations Phase II – Additions to state projects already in design Phase III – New buildings or hubs 	<ul style="list-style-type: none"> Flexible spaces Open architecture buildings Schools with flexibility for today and (an unknown) tomorrow 	<ul style="list-style-type: none"> Rental housing with scale – 100 units and greater Target rents for entry level educators – 60% to 120% Area Median Income (AMI) 	<ul style="list-style-type: none"> Key Infrastructure Fix to keep buildings open Additional Capacity Address overcrowding Functional Adequacy K-12 program support Legal Compliance ADA, Title IX and fire codes
How to Build?	<ul style="list-style-type: none"> Standardization – Consistent designs for renovations and new buildings Innovation in Procurement – Prequalified contractors for Best Value vs Low Bid Construction Options – <ul style="list-style-type: none"> 1_Traditional Stick Built; 2_CMU Block; 3_Mass Timber 	<ul style="list-style-type: none"> Standardization – 1_Design Guides; 2_Standard Technical Drawings; 3_Construction Specifications; 4_Commissioning Plans Innovation in Procurement – P3 or Public Private Partnership projects using the DBFOM or Design, Build, Finance, Operate and Maintain model Construction Options – <ul style="list-style-type: none"> 1_Traditional Stick Built; 2_CMU Block; 3_Mass Timber; 4_Flatpack Panelized 	<ul style="list-style-type: none"> Innovation in Procurement – P3 or Public Private Partnership projects using the DBFOM or Design, Build, Finance, Operate and Maintain model 	<ul style="list-style-type: none"> Standardization Cost; Speed; Maintainability Innovation in Procurement Better Way vs. Usual Way Construction Options Construction neutral designs; Less dependent upon building material supply chain disruptions

Redefining What's Possible – Hawai'i School Facilities Authority (SFA)

Build less, solve more is a design and construction philosophy that emphasizes efficiency, minimal viable solutions, and maximizing impact by focusing on core problems.

Program	1 Pre-K	2 New Central Maui School	3 Workforce Housing Education	TOTAL	
Program Funds Available	202,558,098.89	76,000,000.00	7,000,000.00	285,558,098.89	
Appropriations	320,000,000.00	76,000,000.00	52,000,000.00	448,000,000.00	A = general
FY23	200,000,000.00	A	20,000,000.00	C	0.00
FY24	0.00		10,000,000.00	C	50,000,000.00
FY25	100,000,000.00	C	9,000,000.00	C	0.00
FY26	20,000,000.00	C	37,000,000.00	M	2,000,000.00
FY27				A	59,000,000.00
Lapsed or Restricted	118,314,387.00	0.00	45,000,000.00	163,314,387.00	
FY23	118,314,387.00	A	0.00		118,314,387.00
FY24	0.00		0.00	45,000,000.00	A
FY25	0.00		0.00		45,000,000.00
FY26	0.00		0.00		0.00
FY27					0.00
Allotments	116,040,863.00	39,000,000.00	6,800,000.00	161,840,863.00	
Consumption (encumbered)	86,575,178.61		20,048,480.00	6,800,000.00	113,423,658.61
Obligations (unspent)	40,616,661.99		14,459,024.15	6,005,608.46	61,081,294.60
Expenditures (spent)	45,958,516.62		5,589,455.85	794,391.54	52,342,364.01
Balance (unencumbered)	29,465,684.39		18,951,520.00	0.00	48,417,204.39
Unallotted	85,644,750.00	37,000,000.00	200,000.00	122,844,750.00	
Special Funds	872,485.89	0.00	0.00	872,485.89	

Redefining What's Possible – Hawai'i School Facilities Authority (SFA)

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.

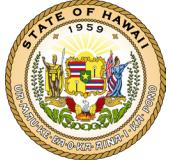
SFA also identified a project at Mālama Honua Public Charter School in Waimānalo, and transferred \$1.5 million to the State Public Charter School Commission in FY25 to build a preschool classroom for this school.

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