

HB1376

Date: 03/20/2009

Committee: Senate Education and Housing

Department: Education

Person Testifying: Patricia Hamamoto, Superintendent of Education

Title of Bill: HB 1376, HD1 (HSCR841) RELATING TO EDUCATION.

Purpose of Bill: Creates the Facilities Alignment Commission to establish criteria for the selection of public schools to be constructed, expanded, consolidated, or closed, and recommend a list of areas for new school construction, and of schools for expansion, consolidation, or closure. Requires the Board of Education to comply with these recommendations if the Legislature does not disapprove of them in their entirety. (HB1376 HD1)

Department's Position: The Department of Education (DOE) does not support H.B. 1376, HD1 (HSCR 841).

Last Fall, the DOE identified clusters of schools where school consolidation should be studied as provided in Chapter 8-38, Hawaii Administrative Rules. The accelerated decline in the economic landscape that began last spring increased the sense of urgency to consolidate schools. In response, the DOE has notified the Board of Education that it will initiate school consolidation studies. To date, a task force to study the possible consolidation of Wailupe Valley and Aina Haina Elementary Schools has been organized, has met three times, has submitted a report to the complex area superintendent, and the complex area superintendent has instructed the task force to hold a public hearing. Following the public hearing, the task force will make its recommendation to the complex area superintendent, who in turn will make a recommendation to the superintendent, who in turn will make a recommendation to the Board of Education. We expect the superintendent's recommendation will be

delivered to the Board in April. Three more task forces, one to study the consolidation of Keanae and Hana Schools, another to study the consolidation of the elementary schools on Molokai, and a third to study the consolidation of Waiahole, Kaaawa, and Hauula elementary schools have been appointed. Finally, the DOE has identified 16 additional clusters of schools where consolidation studies should be undertaken and intends to initiate the studies of all 16 areas within the next 24 months. Our concern with this bill stems primarily from the fact that we already have these task forces established and functioning. The task forces are required to consider the same criteria that are proposed in Section 4 of the bill, including overuse and underuse of school facilities, academic achievement implications, and repair and maintenance costs.

Establishing a separate commission to evaluate and make recommendations on the same criteria would be duplicative at best, and at worst could lead to conflicting outcomes. Clearly, this is a highly sensitive and taxing experience for the task forces and communities in the affected areas. A separate commission would compromise the integrity of our ongoing task force process and strain the abilities of the department and the communities to meet the needs of both the commission and multiple task forces concurrently.

We have two technical concerns with the bill. First, Section 3 requires that the DOE submit recommendations for the consolidation or closure of schools by December 31, 2009. Because the criteria to determine consolidations and closures are required to go to public hearings and will not be finalized until December 31, 2009, it would be premature for the DOE to submit recommendations by that date as it may appear to some that without established criteria, the DOE is unfairly targeting certain schools.

Second, Section 5 requires that preliminary recommendations on school closures and consolidations be made by February 28, 2010. We do not

believe that would be a sufficient amount of time to develop the recommendations. The preliminary recommendations should have a deadline closer to the August 31, 2010 deadline for public hearings on the preliminary recommendations.

Technical concerns aside, we ask that the task forces be given the opportunity to make their recommendations, and that the department and board, understanding the urgency of the situation, be given the opportunity to act on those recommendations.

Thank you for the opportunity to testify.



March 20, 2009

Senator Norman Sakamoto, Chair
COMMITTEE ON EDUCATION AND HOUSING
State Capitol, Room 225
415 South King Street
Honolulu, Hawaii 96813

Dear Chair Sakamoto:

Subject: House Bill No. 1376, HD1 Relating to Education

My name is Shane Peters, President of the Hawaii Developers' Council (HDC). We represent over 200 members and associates in development-related industries. The mission of Hawaii Developers' Council (HDC) is to educate developers and the public regarding land, construction and development issues through public forums, seminars and publications.

It is also the goal of HDC to promote high ethics and community responsibility in real estate development and related trades and professions.

The HDC **strongly supports** H.B. No. 1376 HD1 which proposes to create the facilities alignment commission to revitalize school facilities by developing and submitting recommendations for areas for new school construction, schools for expansion, and schools for consolidation or closure. The bill allows the legislature to disapprove these recommendations only in their entirety. If no legislative disapproval occurs, requires the Board of Education to comply with these recommendations.

The purpose of the bill is to revitalize school facilities statewide and to more effectively and efficiently use our taxpayers' investment in public education. Specifically, this Act provides for the timely construction, expansion, consolidation, or closure of underused public schools in Hawaii through an objective and transparent process that:

1. Includes the establishment of a facilities alignment commission that shall:
 - a. Establish criteria for the selection of public schools to be constructed, expanded, consolidated, or closed; and
 - b. Recommend, based upon these criteria, a list of areas for new school construction, and of schools for expansion, consolidation, or closure, which is subject to the review of the legislature; and
2. Directs the board of education to proceed with the process of constructing, expanding, consolidating, or closing underused schools according to the recommendations of the facilities alignment commission, if the legislature does not disapprove of the recommendations in their entirety.

The DOE has stated that they have approximately the same number of students today (+/- 175,000) as they did 30 years ago. The difference being the distribution of the student population has been dispersed across the state. This creates situations where existing assets (School sites) are underutilized and provides opportunities to reposition these real estate assets for future needs.

What is lacking in the current version of the bill is an option to allow for redevelopment of an underutilized school site for educational, income and/or mixed uses which will provide a funding source to the Department of Education.

The idea would be that the existing school lands are used to create a trust for the public schools. The lands are then managed as a trust, and create the ability to leverage underutilized land assets for redevelopment, joint venture, revenue production, and other opportunities similar to a real estate company.

Many of the older schools are located on "prime pieces" of real estate, especially in the existing urban core of Honolulu which is being planned for redevelopment with the proposed high capacity transit system. Leveraging the land value, the DOE maybe able to have a state of the art "magnet school" built with mixed uses for income purposes and other uses including teacher housing.

Thank you for this opportunity to express our views.



March 20, 2009

Senator Norman Sakamoto, Chair
COMMITTEE ON EDUCATION AND HOUSING
State Capitol, Room 225
415 South King Street
Honolulu, Hawaii 96813

Dear Chair Sakamoto and Members of the Committee on Education and Housing::

Subject: House Bill No. 1376, HD1 Relating to Education

I am Karen Nakamura, Chief Executive Officer of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

BIA-HAWAII **strongly supports** H.B. No. 1376 HD1 which proposes to create the facilities alignment commission to revitalize school facilities by developing and submitting recommendations for areas for new school construction, schools for expansion, and schools for consolidation or closure. The bill allows the legislature to disapprove these recommendations only in their entirety. If no legislative disapproval occurs, requires the Board of Education to comply with these recommendations.

The purpose of the bill is to revitalize school facilities statewide and to more effectively and efficiently use our taxpayers' investment in public education. Specifically, this Act provides for the timely construction, expansion, consolidation, or closure of underused public schools in Hawaii through an objective and transparent process that:

1. Includes the establishment of a facilities alignment commission that shall:
 - a. Establish criteria for the selection of public schools to be constructed, expanded, consolidated, or closed; and
 - b. Recommend, based upon these criteria, a list of areas for new school construction, and of schools for expansion, consolidation, or closure, which is subject to the review of the legislature; and
2. Directs the board of education to proceed with the process of constructing, expanding, consolidating, or closing underused schools according to the recommendations of the facilities alignment commission, if the legislature does not disapprove of the recommendations in their entirety.

The DOE has stated that they have approximately the same number of students today (+/- 175,000) as they did 30 years ago. The difference being the distribution of the student population has been dispersed across the state. This creates situations where existing assets (School sites) are underutilized and provides opportunities to reposition these real estate assets for future needs.

What is lacking in the current version of the bill is an option to allow for redevelopment of an underutilized school site for educational, income and/or mixed uses which will provide a funding source to the Department of Education.

The idea would be that the existing school lands are used to create a trust for the public schools. The lands are then managed as a trust, and create the ability to leverage underutilized land assets for redevelopment, joint venture, revenue production, and other opportunities similar to a real estate company.

Many of the older schools are located on “prime pieces” of real estate, especially in the existing urban core of Honolulu which is being planned for redevelopment with the proposed high capacity transit system. Leveraging the land value, the DOE maybe able to have a state of the art “magnet school” built with mixed uses for income purposes and other uses including teacher housing.

Thank you for this opportunity to express our views.



**Senate Committee on Education & Housing
Friday, March 20, 2009
1:30 p.m.
Conference Room 225
State Capitol**

Subject: House Bill No. 1376, HD1 Relating to Education

Aloha Chair Sakamoto, Vice Chair Kidani and members of the committee:

My name is Jim Tollefson, President of the Chamber of Commerce of Hawaii. The Chamber of Commerce of Hawaii works on behalf of its members and the entire business community to:

- Improve the state's economic climate
- Help businesses thrive

The Chamber of Commerce of Hawaii **strongly supports H.B. No. 1376 HD1** which proposes to create the facilities alignment commission to revitalize school facilities by developing and submitting recommendations for areas for new school construction, schools for expansion, and schools for consolidation or closure. The bill allows the legislature to disapprove these recommendations only in their entirety. If no legislative disapproval occurs, requires the Board of Education to comply with these recommendations.

The purpose of the bill is to revitalize school facilities statewide and to more effectively and efficiently use our taxpayers' investment in public education. Specifically, this Act provides for the timely construction, expansion, consolidation, or closure of underused public schools in Hawaii through an objective and transparent process that:

1. Includes the establishment of a facilities alignment commission that shall:
 - a. Establish criteria for the selection of public schools to be constructed, expanded, consolidated, or closed; and
 - b. Recommend, based upon these criteria, a list of areas for new school construction, and of schools for expansion, consolidation, or closure, which is subject to the review of the legislature; and
2. Directs the board of education to proceed with the process of constructing, expanding, consolidating, or closing underused schools according to the recommendations of the facilities alignment commission, if the legislature does not disapprove of the recommendations in their entirety.

The DOE has stated that they have approximately the same number of students today (+/- 175,000) as they did 30 years ago. The difference being the distribution of the student population has been dispersed across the state. This creates situations where existing assets

(School sites) are underutilized and provides opportunities to reposition these real estate assets for future needs.

What is lacking in the current version of the bill is an option to allow for redevelopment of an underutilized school site for educational, income and/or mixed uses which will provide a funding source to the Department of Education.

The idea would be that the existing school lands are used to create a trust for the public schools. The lands are then managed as a trust, and create the ability to leverage underutilized land assets for redevelopment, joint venture, revenue production, and other opportunities similar to a real estate company.

Many of the older schools are located on “prime pieces” of real estate, especially in the existing urban core of Honolulu which is being planned for redevelopment with the proposed high capacity transit system. Leveraging the land value, the DOE maybe able to have a state of the art “magnet school” built with mixed uses for income purposes and other uses including teacher housing.

Thank you for this opportunity to express our views.