

Date: 02/09/2009

Committee: House Education

Department: Education

Person Testifying: Patricia Hamamoto, Superintendent of Education

Title of Bill: HB 1376 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.

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

It is important to first summarize the DOE's current direction in the school consolidation process. The DOE has for a number of years supported the concept of school consolidations. As recently as last session, we noted that the DOE had begun the process of consolidating schools. However, given the accelerated decline in the economic landscape beginning around mid-2008, the department's and Board of Education's sense of urgency in consolidating schools has increased dramatically. We acknowledge that consolidations have not taken place for many years, but recognize that current fiscal conditions dictate that we now proceed on an expedited basis.

In fact, since Fall 2008, we have identified 20 clusters of schools that will be assessed for consolidation potential. Already, two consolidation task forces have been established for the Wailupe Elementary-Aina Haina elementary schools cluster and the Keanae-Hana elementary schools cluster. A recommendation from the Wailupe-Aina Haina task force is

expected in April.

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 would also like to take this opportunity to raise 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.



HOUSE COMMITTEE ON EDUCATION

February 9, 2009
Conference Room 309
2:00 p.m.
State Capitol

Subject: House Bill No. 1376 Relating to Education

Chair Takumi 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.

H.B. No. 1376 creates 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.

We support the intent of the bill with the amendment we are suggesting.

Thank you for this opportunity to express our views.



February 9, 2009

Representative Roy Takumi, Chair
HOUSE COMMITTEE ON EDUCATION
State Capitol, Room 309
415 South King Street
Honolulu, Hawaii 96813

Dear Chair Takumi:

Subject: House Bill No. 1376 Relating to Education

My name is Dean Uchida, Vice 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.**

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facilities alignment commission, if the legislature does not disapprove of the recommendations in their entirety.

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BIA-HAWAII
BUILDING INDUSTRY ASSOCIATION

February 9, 2009

Representative Roy Takumi, Chair
HOUSE COMMITTEE ON EDUCATION
State Capitol, Room 309
415 South King Street
Honolulu, Hawaii 96813

Dear Chair Takumi:

Subject: House Bill No. 1376 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.

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A handwritten signature in black ink that reads "Karen L. Nakamura". The signature is written in a cursive, flowing style.

Executive Vice President & Chief Executive Officer
BIA-Hawaii