

Honolulu, Hawaii

JUN 25 , 2020

RE: S.B. No. 3103
S.D. 2
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Lower & Higher Education, to which was referred S.B. No. 3103, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO A SCHOOL FACILITIES AGENCY,"

begs leave to report as follows:

The purpose of this measure is to improve the development, planning, and construction of public schools by:

- (1) Establishing the School Facilities Agency (Agency) to be responsible for public school development, planning, and construction related to capital improvement projects assigned by the Legislature, Governor, or Board of Education;
- (2) Establishing the School Facilities Board to oversee the Agency; and
- (3) Transferring to the Agency certain Department of Education functions related to construction.

Your Committee received testimony in support of this measure from the Hui for Excellence in Education Coalition; Hawaii Institute for Public Affairs; Pacific Resource Partnership; Bank of Hawaii; Chamber of Commerce Hawaii; American Council of



Engineering Companies of Hawaii; Hawaii Executive Collaborative; Hawaiian Electric Company, Inc.; and one individual. Your Committee received testimony in opposition to this measure from the Office of Hawaiian Affairs; State Procurement Office; Common Cause Hawaii; Young Progressives Demanding Action; UPW/AFSCME Local, 646 AFL-CIO; Civil Beat Law Center for the Public Interest; Sierra Club of Hawaii; Conservation Council for Hawaii; Society of Professional Journalists Hawaii Chapter; Spoehr Foundation; Maui Tomorrow Foundation, Inc.; and numerous individuals. Your Committee received comments on this measure from the Department of Budget and Finance; Department of Education; Board of Education; Hawaii State Ethics Commission; Hawaii State Public Library System; Office of Information Practices; Disability and Communication Access Board; Painting Industry of Hawaii Labor Management Cooperation Trust Fund; Hawaii Tapers Market Recovery Trust Fund; Hawaii Glaziers; Architectural Metal Glassworkers Local Union 1889 ALF-CIO Stabilization Trust Fund; Carpet, Linoleum and Soft Tile Local Union 1926 Market Recovery Trust Fund; Gordian; Democratic Party of Hawaii Labor Caucus; and Hawaii State Teachers Association.

Your Committee finds that the upkeep and development of the State's public school facilities is imperative to providing students and school communities with optimal learning and teaching environments. Establishing an organization to oversee the development and capital improvement of school facilities that is separate from the Department of Education will help improve the efficiency of school construction while more directly addressing the educational needs of students.

Your Committee recognizes the concerns raised by many of the testifiers.

Accordingly, your Committee has amended this measure by:

- (1) Removing the exemptions from chapters 6E, 37, 76, 103, 103D, and 343, Hawaii Revised Statutes, and all county ordinances for the projects of the Agency;
- (2) Clarifying the bidding process by the Agency for a construction contracts, including requiring the Agency to give preference to construction bids submitted by a contractor or subcontractor domiciled within the State;



- (3) Clarifying the membership of the School Facilities Board and requiring that a member of the Hawaii Construction Alliance be included in the School Facilities Board;
- (4) Providing that the disbursement of any donation, grant, bequest, and devise of money from any private institution, person, firm, or corporation by the Governor to fund the salaries of the Executive Director and any officers, agents, and employees of the Agency are subject to chapter 84, Hawaii Revised Statutes, relating to standards of conduct;
- (5) Requiring the establishment of seven full-time equivalent (7.0 FTE) administrative positions, exempt from chapter 76, Hawaii Revised Statutes, for the Agency;
- (6) Changing the appropriation for the Agency to an unspecified amount;
- (7) Changing its effective date to July 1, 2051; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Should your Committee on Finance decide to hear this measure, your Committee respectfully requests that it consider appropriating \$1,500,000 for the School Facilities Agency.

As affirmed by the record of votes of the members of your Committee on Lower & Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3103, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3103, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

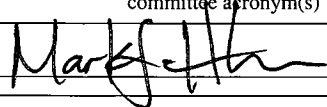


Respectfully submitted on
behalf of the members of the
Committee on Lower & Higher
Education,


JUSTIN H. WOODSON, Chair



Record of Votes of the Committee on Lower & Higher Education

Bill/Resolution No.: SB 3103 SD2	Committee Referral: LHE, FIN	Date: 6/23/20		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LHE Members	Ayes	Ayes (WR)	Nays	Excused
1. WOODSON, Justin H. (C)	✓			
2. HASHEM, Mark J. (VC)	✓			
3. QUINLAN, Sean (VC)	✓			
4. DeCOITE, Lynn	✓			
5. JOHANSON, Aaron Ling	✓			
6. KOBAYASHI, Dale T.	✓			
7. MORIKAWA, Dee	✓			
8. OHNO, Takashi	✓			
9. TARNAS, David A.	✓			
10. TOKIOKA, James Kunane		✓		
11. OKIMOTO, Val	✓			
TOTAL (11)	10	1		
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. _____ committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				