

STAND. COM. REP. NO.

2241

Honolulu, Hawaii

FEB 12 2024

RE: S.B. No. 3328

S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Education, to which was referred S.B. No. 3328 entitled:

"A BILL FOR AN ACT RELATING TO EDUCATION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Clarify the Department of Education's authority to oversee public education facilities and real estate development;
- (2) Establish the Office of Facilities and Real Estate Development and the Office of School Operations and Services;
- (3) Repeal the School Facilities Authority;
- (4) Reorganize the Department of Education's organizational structure for facilities and real estate development;
- (5) Establish positions;
- (6) Make an appropriation; and



- (7) Repeal the Office of Facilities and Real Estate Development and Office of School Operations and Services on July 1, 2031.

Your Committee received testimony in support of this measure from the Board of Education and Department of Education.

Your Committee received comments on this measure from the Department of the Attorney General; Department of Budget and Finance; and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the Department of Education oversees two hundred forty-eight schools statewide, including the oversight of hundreds of buildings and associated capital improvement projects, deferred and regular maintenance, and repairs. To assist the Department of Education in accomplishing this mandate, the Legislature enacted Act 72, Session Laws of Hawaii 2020, establishing the School Facilities Agency as the principal agency tasked with real estate development of public educational facilities. In 2021, the Legislature renamed the School Facilities Agency to the School Facilities Authority and clarified its powers and responsibilities through Act 217, Session Laws of Hawaii 2021, to include development, planning, and construction of public school capital improvement projects; acquisition of property; receipt of gifts and grants; and contracting or partnering with qualified parties.

Your Committee also finds that while the School Facilities Authority has only been in operation for nearly three years, the precise scope of the Authority's duties and responsibilities remains unclear. Progress by the School Facilities Authority has been notably slow, raising concerns about its effectiveness and efficiency. Additionally, there persists an ongoing issue of overlapping statutory responsibilities between the Department of Education and the School Facilities Authority. According to the Board of Education's testimony, the Department of Education completed eleven classrooms for prekindergarten education for the first phase of the Ready Keiki Initiative, a mandate originally assigned to the School Facilities Authority. As the Department of Education has assumed many responsibilities statutorily established for the School Facilities Authority, reorganization of real estate operations at the Department is needed to provide



clarity and streamline operations. Therefore, this measure is necessary to provide effective guidance and leadership in the accomplishment of the Department of Education's mandate to provide high quality public education to Hawaii's keiki.

Your Committee has amended this measure by:

- (1) Repealing members appointed by the Governor of the School Facilities Board from the list of persons required to submit financial disclosure statements to the State Ethics Commission;
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3328, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3328, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Education,



MICHELLE N. KIDANI, Chair



