



DEPT. COMM. NO. 347

**STATE OF HAWAII
DEPARTMENT OF EDUCATION
KA 'OIHANA HO'ONA'AUAO
P.O. BOX 2360
HONOLULU, HAWAII 96804**

OFFICE OF THE DEPUTY SUPERINTENDENT

January 22, 2025

The Honorable Ronald D. Kouchi, President
and Members of the Senate
415 South Beretania Street
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Nadine K. Nakamura, Speaker
and Members of the House of Representatives
415 South Beretania Street
State Capitol, Room 431
Honolulu, Hawaii 96813

Re: Hawaii State Department of Education Annual Report on Six-Year Program and
Financial Plan for School Repair and Maintenance

Dear President Kouchi, Speaker Nakamura, and Members of the Legislature:

For your information and consideration, a copy of the annual Six-Year Program and Financial Plan for School Repair and Maintenance report is being transmitted, pursuant to Section 302A-1312, Hawaii Revised Statutes (HRS). In accordance with Section 93-16, HRS, the report may also be viewed electronically at: <https://www.hawaiipublicschools.org/VisionForSuccess/SchoolDataAndReports/StateReports/Pages/Legislative-reports.aspx>

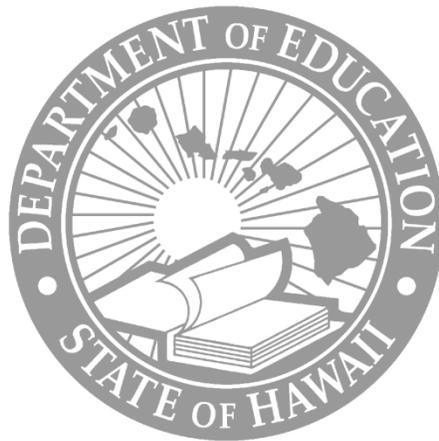
Should you have any questions, please contact Ken Kakesako, Director of the Policy, Innovation, Planning and Evaluation Branch, Office of Strategy, Innovation and Performance, via email at ken.kakesako@k12.hi.us or by phone at (808) 282-3430.

Sincerely,

Tammi Oyadomari-Chun
Deputy Superintendent of Strategy

TOC:esi
Attachment

c: Legislative Reference Bureau
Hawaii State Public Library System
University of Hawaii
Office of Facilities and Operations



State of Hawai'i
Department of Education

Annual Report on Six-Year Program and Financial Plan for School Repair and Maintenance

January 2025

Section 302A-1312, Hawai'i Revised Statutes, requires the Hawai'i State Department of Education to annually report on a plan for school repair and maintenance projects.

Hawai'i State Department of Education's School Repair and Maintenance Six-Year Program and Financial Plan

The Hawai'i State Department of Education's (Department), Office of Facilities and Operations (OFO) manages the maintenance of physical facilities at schools. The Department submits a facilities plan for approval to the Hawai'i State Board of Education (Board) every year. The report identifies maintenance issues with costs, health and safety needs, and projects that comply with legal regulations.

The Department presented its Capital Improvement Program (CIP) fiscal biennium 2025-2027 budget request to the Board's Finance and Infrastructure Committee on January 16, 2025. The Department is proposing a \$1.655 billion CIP biennium budget for fiscal year (FY) 2026-2027 to cover 12 areas of need:

- Deferred Maintenance Lump Sum
- Federal Grants (Department Share) Lump Sum
- Health & Safety Lump Sum
- Planning, Design and Land Acquisition Lump Sum
- Capacity Lump Sum
- Temporary Facilities Lump Sum
- Instructional Lump Sum
- Support Facilities Lump Sum
- Compliance Lump Sum
- Project Completion Lump Sum
- Telecommunication Infrastructure Lump Sum
- Department Priority Line Items

For a breakout of the funding amounts by category, please see the Department's CIP budget submission to the Board's Finance and Infrastructure Committee on January 16, 2025:

https://boe.hawaii.gov/wp-content/uploads/2025/01/2025-01-16_FIC_CIP-FB2025-27-budget-request-update.pdf

Deferred Maintenance (Major Repair & Maintenance (R&M))

The Department is requesting \$250 million for FY 2025-2026 and \$200 million for FY 2026-2027 for Major R&M projects that will replace and improve those facilities deemed critical and in need of repairs or replacements to prolong the useful life of our schools, infrastructure, and facilities, resulting in future cost savings. These facilities were assessed by architects and engineers from various specialties for the building envelope, mechanical, electrical, civil, and hydraulic systems, along with the structural components of schools.

Federal Grants (Department's share)

Currently, the Department has grant invitations to renovate, expand, or replace eight schools through the United States Department of Defense, Office of Local Defense Community Cooperation's Public Schools on Military Installations grant program. The lump sum funding of \$60 million in FY 2025-2026 and \$30 million in FY 2026-2027 allow the flexibility for the Department to provide the 20 percent matching funds for the schools in the most effective way as the projects move forward from planning to design and into construction.

Health & Safety

The Department requests \$50 million for each FY to address fire alarm replacements, elevator replacements and/or modernization, electrical upgrades, traffic safety and parking, flood mitigation, security fencing, etc., for various schools.

Planning, Design, and Land Acquisition

The Department requests \$6 million for FY 2025-2026 and \$3 million for FY 2026-2027 to address potential land acquisition, site studies, master planning, and a new updated facility assessment management plan statewide. The last updated facility assessment was completed in FY 2017-2018.

Capacity

The Department requests \$25 million for FY 2025-2026 and \$50 million for FY 2026-2027 for new classroom buildings where enrollment exceeds or is expected to exceed the capacity of the respective schools.

Temporary Facilities

The Department is requesting \$6 million for each FY for temporary facilities to provide swing spaces for staff, students, and employees of schools or facilities displaced due to construction activities or to provide for quicker capacity challenges. Because projects often demolish existing facilities for the construction of new facilities, these funds will provide for the relocation of students, staff, and schools for the duration of the construction or for addressing capacity issues until a new facility can be assessed. Temporary facilities may include portable classrooms, trailers, or modular structures.

Instructional

The Department requests \$10 million each FY to address facilities for special education and medically fragile, science facilities upgrades, band room renovations/upgrades, science, technology, engineering, arts and math renovations, and career and technical education spaces.

Support Facilities

The Department requests \$150 million for FY 2025-2026 and \$50 million for FY 2026-2027 to address new administration, library, cafeteria facilities or expansions, new physical education/athletic facilities, and state and/or district offices.

Compliance

The Department requests \$150 million for FY 2025-2026 and \$50 million for FY 2026-2027 to complete on-going design and construction for the following:

- Americans with Disabilities Act (ADA) improvements for public accommodations;
- Program access for public and student accommodations;
- Corrective actions for Career and Technical Education audits;
- Gender equity improvements for girls' athletic locker rooms and softball facilities; and
- Cesspool conversions per Environmental Protection Agency (small capacity).

Compliance project construction will be delayed again for another year if these funds are not provided. These projects include new and ongoing jobs. Compliance funding requests are a recurring expense which include the need to complete ADA improvements and 11 gender equity compliance projects at approximately ten schools statewide. These projects will provide corrective work to comply with the 2010 ADA Standards, Title IX gender equity laws, Environmental Protection Agency, and the Hawai'i State Department of Health mandates to convert or close cesspools by January 1, 2050.

Completion of Ongoing CIP Projects (Project Completion)

The Department requests \$45 million for each FY to complete ongoing CIP projects for construction management services, additional contingencies for unanticipated site conditions, and escalation funding to ensure completion.

Construction management services are vital to ensure that construction milestones, inspections, and requests for information for change orders are coordinated, processed, and completed. This funding is necessary to ensure all projects being bid on and awarded are completed. There are currently four projects with notices to proceed (NTP) valued at \$7.62 million and 25 projects valued at \$278 million that do not have NTPs issued, which will require construction management services and additional contingencies that may be subject to escalation claims. If the funding to cover the full cost of these projects is insufficient, the funds could potentially lapse and these projects canceled.

The Department requests \$5 million for FY 2025-2026 and \$2 million for FY 2026-2027 to furnish new buildings and facilities with student and non-position-related furniture. This is a recurring request since these funds are needed when construction is almost complete, typically after all project funds have lapsed.

Telecommunication Infrastructure (Office of Information Technology Services Bells and Paging Replacements)

The Department requests \$5 million each FY to complete needed improvements or replacements of its bell and paging systems. There are six schools identified in each year.

Line Items

1. King Kamehameha III Elementary School Temporary Campus. The Department respectfully requests \$1.6 million each FY for the lease and maintenance costs in Means of Funding (MOF) A funding.
2. King Kekaulike High School. The Department is respectfully requesting \$1.6 million for FY 2025-2026 to cover the one-time fee to the Hawai'i Water Service and the associated pumping fees and \$300,000 for FY 2026-2027 (MOF A funding) as the sewer system at the school has partially failed, and the cost to pump the sewage has increased from \$3,500 per month in 2022 to \$15,000 per month in 2023. The Department received an appropriation in Act 230, Session Laws of Hawai'i 2024, for the permanent solution to design and construct a replacement sewage system. A new sewer system will eliminate the need for pumping services.
3. Hazmat and Environmental Assessment and Mitigation, Statewide in MOF A funding is requested in the amount of \$3 million each FY. This is needed in order to address various conditions at the Department's school facilities that require immediate attention to mitigate any potential health and safety risk to faculty, staff, students, and the public.
4. Teacher/workforce housing maintenance in MOF A funding is requested in the amount of \$500,000 each FY. This is to supplement the current funding available to the Department based on housing revenues received in the amount of \$415,000 annually to address conditions at 57 units statewide.
5. The Department requests \$130 million for the New East Kapolei Elementary School in FY 2026. With the Ho'opili development moving in full force, the need for another elementary school is critical for the area as the existing schools' capacities will not be able to absorb the additional students. The Ho'opili development has already committed a twelve (12)-acre

site to the Department as part of their land use condition and educational contribution agreement.

6. The Department requests \$145 million for the New Lāhainā Elementary School in FY 2026. This is to provide the replacement of the King Kamehameha III Elementary School that burned down in the August 2023 wildfires.
7. The Department requests \$3 million for the Honouliuli Middle School Signalization and Pedestrian Improvements in FY 2026. This is needed to meet the City and County of Honolulu Department of Transportation Services' requirements that came after construction of the new school's final phase of work was completed.

The following regulations and policies provide guidance for the development and approval of the Department's CIP biennium budget.

- The Department of Budget & Finances September 26, 2024, Finance Memorandum 24-10, FY 2025-2027 Biennium Budget Policies and Guidelines (Fiscal Biennium 2025-2027) sets forth the Executive Branch's budget preparation policies, guidelines, deadlines, and submittal requirements for both the operating and the CIP biennium budget for FY 2025-2027.
- Board Policy 303-1, Department of Education Budgets, provides the Board with the authority to approve the Department's budget requests: "Any Department proposal to make adjustments in the operating budget and Capital Improvements Program budget shall require prior approval of the Board"
- Board Policy 301-10, Equitable Allocation of Facilities Resources, guided the development of the biennium budget last year and is what the supplemental budget is based upon for the equitable allocation of facilities.
- Previous action of the Board and Committee(s) on the same or similar matter:

In accordance with Board Policy 303-1, the Board approved the previous CIP biennium budget proposals, most recently for FB 2023-2025 during the October 20, 2022, General Business Meeting (see action before adjournment in the following Board minutes):

<https://alala1.k12.hi.us/STATE/BOE/Minutes.nsf/a15fa9df11029fd70a2565cb0065b6b7/e1d8a50526a9ed830a2589090063cf66?OpenDocument>.

The following chart provides the details of the Department's Six-Year Program and Financial Plan:

LUMP SUM	PLANNING LIST FOR BIENNIUM BUDGET & SIX YEAR REQUEST					FY27 (BFY 2026) JULY 26 - JUNE 27			FY28 (BFY 2027) JULY 27 - JUNE 28			FY29 (BFY 2028) JULY 28 - JUNE 29			FY30 (BFY 2029) JULY 29 - JUNE 30			FY31 (BFY 2030) JULY 30 - JUNE 31		
			SCHOOL	PROJECT	D	C	E	D	C	E	D	C	E	D	C	E	D	C	E	
DEFERRED MAINTENANCE	VARIOUS SCHOOLS	LUMP SUM CIP - DEFERRED MAINTENANCE	27,925	222,075	0	33,200	166,800	0	36,353	163,647	0	36,590	163,410	0	15,000	135,000	0	15,000	135,000	0
FEDERAL GRANTS	VARIOUS SCHOOLS	LUMP SUM CIP - FEDERAL GRANTS	0	60,000	0	0	30,000	0	1,500	28,500	0	0	30,000	0	0	30,000	0	0	30,000	0
HEALTH & SAFETY	VARIOUS SCHOOLS	LUMP SUM CIP - HEALTH and SAFETY	6,716	43,284	0	9,100	40,900	0	9,250	40,750	0	9,500	40,500	0	9,500	40,500	0	9,500	40,500	0
PLANNING, DESIGN AND LAND ACQUISITION	VARIOUS SCHOOLS	PLANNING, DESIGN, AND LAND ACQUISITION	6,000	0	0	3,000	0	0	6,000	0	0	3,000	0	0	6,000	0	0	3,000	0	0
CAPACITY	VARIOUS SCHOOLS	LUMP SUM CIP - CAPACITY	25,000	0	0	0	50,000	0	4,000	196,000	0	0	100,000	0	0	200,000	0	0	100,000	0
TEMPORARY FACILITIES	VARIOUS SCHOOLS	TEMPORARY FACILITIES	50	5,950	0	283	5,600	117	190	5,800	10	190	5,800	10	190	5,800	10	190	5,800	10
INSTRUCTIONAL	VARIOUS SCHOOLS	LUMP SUM CIP - INSTRUCTIONAL	1,900	8,100	0	1,200	8,800	0	6,500	43,500	0	9,500	40,500	0	6,500	43,500	0	6,500	43,500	0
SUPPORT	VARIOUS SCHOOLS	LUMP SUM CIP - SUPPORT	13,500	136,500	0	0	50,000	0	11,700	88,300	0	1,000	99,000	0	10,000	90,000	0	8,000	92,000	0
COMPLIANCE	VARIOUS SCHOOLS	LUMP SUM CIP - COMPLIANCE	42,000	108,000	0	11,700	38,300	0	15,300	184,700	0	2,200	47,800	0	15,000	185,000	0	6,000	44,000	0
PROJECT COMPLETION	VARIOUS SCHOOLS	LUMP SUM CIP - PROJECT COMPLETION	2,000	41,000	2,000	0	43,000	2,000	2,000	70,000	3,000	0	43,000	2,000	2,000	70,000	3,000	0	43,000	2,000
TELECOMMUNICATION INFRASTRUCTURE	VARIOUS SCHOOLS	LUMP SUM CIP - TELECOMMUNICATION INFRASTRUCTURE	0	5,000	0	0	5,000	0	0	5,000	0	0	5,000	0	0	5,000	0	0	5,000	0
LINE ITEMS	VARIOUS SCHOOLS	VARIOUS PROJECTS	20,000	266,100	0	0	8,100	0	0	3,500	0	0	3,500	0	0	3,500	0	0	3,500	0
			145,091	896,009	2,000	58,483	446,500	2,117	92,793	829,697	3,010	61,980	578,510	2,010	64,190	808,300	3,010	48,190	542,300	2,010
Notes:			1,043,100			\$507,100			\$925,500			\$642,500			\$875,500			\$592,500		

1. All values in \$1,000's

2. Develop Pro Forma for Project Completion

3. Budget Fiscal Year (BFY)

4. Amounts do not reflect any inflation factor

6 YEARS TOTAL

AVERAGE PER YEAR

\$4,586,200
\$764,367