



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2025**

ON THE FOLLOWING MEASURE:

H.B. NO. 636, H.D. 1, RELATING TO CAPITAL IMPROVEMENT.

BEFORE THE:

HOUSE COMMITTEE ON FINANCE

DATE: Thursday, February 20, 2025 **TIME:** 10:00 a.m.

LOCATION: State Capitol, Room 308

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Anne T. Horiuchi or Randall M. Wat, Deputy Attorneys General

Chair Yamashita and Members of the Committee:

The Department of the Attorney General provides the following comments.

This bill seeks to: (1) establish a school capital improvement project modernization initiative in the School Facilities Authority (SFA) to create a planning database for school facilities; and (2) appropriate funds.

We recommend clarifying that the term "board" in subsections (c) and (d) of the proposed new section refers to the Board of Education (BOE).

The bill places this section within chapter 302A, Hawaii Revised Statutes (HRS), part VI, subpart C (sections 302A-1701 through -1707), which pertains to the SFA. Although section 302A-1701, HRS, defines terms for subpart C, it does not define "board." In the absence of a specific definition, the term "board" would typically default to the definition in section 302A-101, HRS, which refers to the BOE.

Additionally, subsection (d) of the proposed new section states that the SFA will "assist the board in decision making on: (1) Opening new schools or closing existing schools, pursuant to section 302A-1129; and (2) Repurposing schools or unused public school facilities, pursuant to section 302A-1151.5." (Page 5, lines 6-10.) Because both sections 302A-1129 and 302A-1151.5, HRS, outline powers vested in the BOE, it is reasonable to interpret the "board" in subsection (d) to mean the BOE.

However, section 302A-1704, HRS, refers to the SFA Board as "the board," which could cause confusion about whether "board" refers to the SFA Board or the BOE.

To resolve this ambiguity and clarify that "board" in subsections (c) and (d) refers to the BOE, we recommend adding "of education" after "board" on page 4, line 10, and page 5, lines 5-6, of the bill as follows:

(c) No later than August 15 of each year, the authority shall submit a report to the legislature, governor, board[,] **of education,** and superintendent to assist with statewide planning and decision-making on school facilities projects. The report shall include:

. . . .

(d) The authority shall report information and analysis from the school capital improvement project modernization initiative to the board **of education** as necessary, but no less than once a year, to assist the board **of education** in decision making on:

. . . .

Thank you for the opportunity to provide comments on this bill.



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

Date: 02/20/2025

Time: 10:00 AM

Location: 308 VIA VIDEOCONFERENCE

Committee: House Finance

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Bill Title: HB 0636, HD1 RELATING TO CAPITAL IMPROVEMENT.

Purpose of Bill: Establishes a school capital improvement project modernization initiative in the School Facilities Authority to create a planning database for school facilities. Appropriates funds. Effective 7/1/3000. (HD1)

Department's Position:

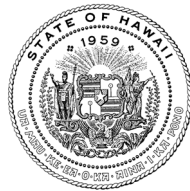
The Hawaii State Department of Education (Department) appreciates the opportunity to offer comments to HB 636, HD 1.

This bill intends to establish a school capital improvement project (CIP) modernization initiative in the school facilities authority to create a planning database for school facilities.

Although the School Facilities Authority (SFA) is charged with the planning, development, and construction as assigned by the Legislature, Governor, or Board of Education, the Department continues to serve as the overall lead for its own CIP and deferred maintenance projects (DMP). Within the last several years, the Department has contracted with various consultants to assist with the modernization of its CIP and DMP planning, prioritization, design, and construction.

To meet its educational and operational objectives and because it will own, operate and maintain facilities developed by the SFA, the Department requests that the proposed funding for a planning database be appropriated to the Department and not have this function duplicated under the SFA. School prioritization, modernization, planning and development are functions that should be exclusively managed by the Department where there is constant collaboration with educators and supporting state offices related to best practices in managing and operating schools at all levels. These processes already exist within the Department and having the planning database within the Department ensures equity and school-level input in decision-making.

Thank you for this opportunity to offer comments to HB 636, HD 1.



JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

WRITTEN ONLY
TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 636, H.D. 1

February 20, 2025
10:00 a.m.
Room 308 and Videoconference

RELATING TO CAPITAL IMPROVEMENT

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill No. 636, H.D. 1, amends Chapter 302A, HRS, to establish a school capital improvement project (CIP) modernization initiative (MI) within the School Facilities Authority (SFA) to create a planning database for school facilities statewide; appropriates an unspecified amount of general funds for FY 26 and FY 27 to be deposited into the School Facilities Special Fund (SFSF); and appropriates an unspecified amount of special funds out of the SFSF for FY 26 and FY 27 to establish the school modernization initiative (SMI).

Due to the limited resources and funding within SFA, it appears the school CIP MI would be more appropriately established with the Department of Education (DOE). Additionally, since SFA is not responsible for administering and implementing all CIPs for DOE, it seems more practicable for DOE to implement the SMI.

Thank you for your consideration of our comments.

JOSH GREEN, M.D.
GOVERNOR

RIKI FUJITANI
EXECUTIVE DIRECTOR



STATE OF HAWAII
SCHOOL FACILITIES AUTHORITY
2759 S. KING STREET, ROOM H201
HONOLULU, HAWAII 96826

House Committee on Finance

Thursday, February 20, 2025
10:00 a.m.
Hawaii State Capitol, Room 308

House Bill 636, House Draft 1, Relating to Capital Improvement

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

The School Facilities Authority (SFA) **supports** House Bill 636, House Draft 1, which would establish a school capital improvement project modernization initiative in the SFA to create a planning database for school facilities.

The school capital improvement project (CIP) modernization initiative contemplated by this measure would provide the Legislature, Governor, Board of Education, Department of Education, SFA, and the public with data and information to help answer fundamental school CIP questions:

- **Why Build?**
 - What do we have? (Asset inventory)
 - What is the condition? (Facilities Condition Index)
 - What is the utilization? (Enrollment to Capacity Ratio)
- **What to Build?**
 - Key Infrastructure
 - Capacity
 - Functional Adequacy
 - Legal Compliance
- **How and Where to Repurpose?**
 - Should underutilized classrooms, buildings, facilities, and land be used for other purposes?
 - Charter schools?
 - Early learning or child care programs?
 - Workforce housing projects?
 - State agency offices?

In addition, this information should be presented using a geographic interface based upon legislative districts (25 Senate districts and 51 House districts). With sufficient funding and access to existing information and data sources, SFA estimates a prototype version of a database application that meets the intent of this measure could be ready by the 2026 legislative session.

We offer one recommended change. On Page 3, Line 2, we recommend updating the condition rating of a school facility to no less than every five years instead of three. We believe an update every five years for any school facility still provides relatively accurate information for a facilities condition index while using fewer resources.

The Legislature established the SFA to “be responsible for the development, planning, and construction of public school capital improvement projects and help improve the efficiency of school construction while more directly addressing the education needs of students” (Conference Committee Rep. No. 148, 2021). The school CIP modernization initiative could be game changing in how SFA fulfills its role.

Sincerely,

Riki Fujitani
Executive Director

HB-636-HD-1

Submitted on: 2/18/2025 8:54:30 PM

Testimony for FIN on 2/20/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
ONeil Gardner	EPD Corp.	Support	Written Testimony Only

Comments:

Aloha, my name is Dr. O'Neil Gardner. I am the founder and owner of the Nonprofit EPD Corp. As someone from humble beginnings and now a business owner, I see education as one of life's great equalizers and they key to shaping ones own path. Educating today's and tomorrow's leaders should be the priority of any community or society who wishes to perpetuate its existence. I believe the HD636 HD1 bill is a positive step in ensuring Hawaii's educational institutions are up to the task.



1200 Ala Kapuna Street • Honolulu, Hawai'i 96819
Tel: (808) 833-2711 • Fax: (808) 839-7106 • Web: www.hsta.org

Osa Tui, Jr.
President

Logan Okita
Vice President

Cheney Kaku
Secretary-Treasurer

Ann Mahi
Executive Director

TESTIMONY TO THE HAWAI'I HOUSE COMMITTEE ON FINANCE

Item: **HB 636 HD 1 - CAPITAL IMPROVEMENT PROJECTS**

Position: **SUPPORT**

Hearing: **Thursday, February 20, 2025, 10:00 am, Room 308**

Submitter: **Osa Tui, Jr. – President, Hawai'i State Teachers Association**

Dear Chair Yamashita, Vice Chair Takenouchi and members of the committee,

The Hawai'i State Teachers Association stands in strong support of HB 636 HD 1 which establishes a school capital improvement project modernization initiative in the School Facilities Authority to create a planning database for school facilities.

Our members have shared stories of schools buildings that lack properly-working fire alarms, have mold or structural issues that make them unsafe, deal with flooding and water damage, lack air conditioning, and many more issues that aren't being promptly handled.

We support any efforts that would allow for schools to be modernized, and repaired in a more prompt manner than they are receiving presently.

The Hawai'i State Teachers Association asks your committee to **support** this bill.

HB-636-HD-1

Submitted on: 2/19/2025 2:36:26 PM

Testimony for FIN on 2/20/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Richard Collins	Individual	Support	Written Testimony Only

Comments:

Please support this. I see areas needing attention at my kids' school and it would be nice if there were a system to help prioritize the issues. Mahalo for considering.