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# A BILL FOR AN ACT

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RELATING TO CHARTER SCHOOL FACILITIES.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1. The legislature finds that Hawaii has some of  
2 the highest public school construction costs in the nation.  
3 These costs make it difficult to provide adequate facilities for  
4 students, particularly in areas experiencing rapid population  
5 growth.

6       The legislature further finds that the school facilities  
7 authority was established to deliver public school facilities in  
8 a more timely and cost-effective manner, including through  
9 public-private partnerships that leverage private sector  
10 expertise and financing. In times of economic uncertainty, the  
11 legislature recognizes the need to prioritize cost-efficiency  
12 and community need.

13       The legislature additionally finds that in some  
14 communities, longstanding facility needs and enrollment growth  
15 have outpaced the State's ability to deliver schools through  
16 traditional construction timelines, resulting in overcrowding  
17 and limited access to quality public education options for



1 students and families. In the current fiscal climate, the  
2 legislature believes that innovative, cost-effective delivery  
3 models are even more necessary to respond to urgent community  
4 needs while responsibly and transparently stewarding public  
5 resources.

6 The purpose of this Act is to:

- 7 (1) Require the school facilities authority to establish a  
8 pilot program for the development of proposals for  
9 three new public-private partnership schools;  
10 (2) Empower the school facilities authority to enter into  
11 public-private partnerships for the development of  
12 school facilities, including but not limited to long-  
13 term leases, leasebacks, acquisitions, or sales of  
14 land and assets; and  
15 (3) Evaluate the effectiveness of the pilot program  
16 through reports to the legislature.

17 SECTION 2. Section 302A-1703, Hawaii Revised Statutes, is  
18 amended by amending subsection (c) to read as follows:

19 "(c) Except as otherwise limited by this chapter, the  
20 authority may also:

- 21 (1) Have a seal and alter the same at its pleasure;



- 1           (2)   Subject to subsection (b), make and execute contracts  
2                   and all other instruments necessary or convenient for  
3                   the exercise of its powers and functions under this  
4                   subpart;
- 5           (3)   Make and alter bylaws for its organization and  
6                   internal management;
- 7           (4)   Adopt rules pursuant to chapter 91 with respect to its  
8                   projects, operations, properties, and facilities,  
9                   including qualifications for persons and entities  
10                  wishing to enter into a public-private partnership  
11                  with the authority, as permitted in paragraph (7);
- 12          (5)   Acquire or contract to acquire by grant or purchase  
13                  real, personal, or mixed property or any interest  
14                  therein; to clear, improve, and rehabilitate and to  
15                  sell, assign, exchange, transfer, convey, lease,  
16                  subdivide, or otherwise dispose of or encumber the  
17                  same;
- 18          (6)   Acquire property by condemnation pursuant to chapter  
19                  101;
- 20          (7)   Enter into partnerships with qualified persons,  
21                  including public-private partnerships, as defined in



1 the authority's rules, to acquire, construct,  
2 reconstruct, rehabilitate, improve, alter, or provide  
3 for the design, financing, construction,  
4 reconstruction, improvement, [ex] alteration, or  
5 maintenance of any project, including prekindergarten  
6 facilities[+], public charter school facilities, and  
7 projects on privately-owned land; and sell, assign,  
8 transfer, convey, exchange, lease, or otherwise  
9 dispose of or encumber any project; and in the case of  
10 the sale of any project, accept a purchase money  
11 mortgage in connection therewith;

12 (8) Grant options to purchase any project or to renew any  
13 lease entered into by it in connection with any of its  
14 projects, on terms and conditions as it deems  
15 advisable;

16 (9) Prepare or cause to be prepared plans, specifications,  
17 designs, and estimates of costs for the construction,  
18 reconstruction, rehabilitation, improvement, or  
19 alteration of any project, and from time to time to  
20 modify the plans, specifications, designs, or  
21 estimates;



1       (10) Procure insurance against any loss in connection with  
2           its property and other assets and operations in  
3           amounts and from insurers as it deems desirable;

4       (11) Apply for and accept gifts or grants in any form from  
5           any public agency or from any other source, including  
6           gifts or grants from private individuals and private  
7           entities;

8       (12) Borrow money or procure loan guarantees from the  
9           federal government for or in aid of any project the  
10          authority is authorized to undertake pursuant to this  
11          chapter. Additionally, in connection with borrowing  
12          or procurement of loan guarantees, the authority:

13        (A) Shall comply with conditions required by the  
14           federal government pursuant to applicable  
15           regulation or required in any contract for  
16           federal assistance;

17        (B) Shall repay indebtedness incurred pursuant to  
18           this section, including any interest thereon;

19        (C) May execute loan and security agreements and  
20          related contracts with the federal government;



1 (D) May issue bonds pledging revenues, assessments,  
2 or other taxes as security for indebtedness  
3 incurred pursuant to this section; and

4 (E) May enter into financing agreements as that term  
5 is defined in section 37D-1;

6 (13) Appoint or retain by contract one or more attorneys  
7 who are independent of the attorney general to provide  
8 legal services solely in cases of negotiations in  
9 which the attorney general lacks the sufficient  
10 expertise; provided that the independent attorney  
11 shall consult and work in conjunction with the  
12 designated deputy attorney general;

13 (14) Use the department of human resources development or  
14 the department of education to recruit, hire, and  
15 retain exempt employees, architects, engineers,  
16 existing civil service positions, and other technical  
17 positions for the development, planning, and  
18 construction related to capital improvement projects;

19 (15) Partner with public and private development agencies  
20 to develop:

21 (A) Housing on or off campus;



(B) Classrooms[+] and other public school facilities,  
including those at public charter schools; and

(C) Prekindergarten, preschool, child care, and early  
learning program facilities;

(16) Request any state or county agency to render services  
to the authority;

(17) Transfer the property to another public agency or  
contract to manage the leasing and property management  
of housing projects; and

(18) Do any and all things necessary to carry out its  
purposes and exercise the powers given and granted in  
this subpart."

SECTION 3. (a) The school facilities authority shall  
establish a pilot program to develop three new public schools  
located in different geographic areas based on demonstrated need  
through public-private partnerships, which may include but are  
not limited to long-term leases, leasebacks, acquisitions, or  
sales of land and assets.

(b) The school facilities authority shall issue requests  
for proposals, which shall be evaluated based on:



- 1           (1) Cost savings to the State through a public-private  
2           partnership, including any proposed resource  
3           contributions by the State;
- 4           (2) How well the proposal mitigates unmet community needs  
5           for public school capacity in an area, including  
6           consideration of:
- 7           (A) Projected enrollment growth in the proposed area;  
8           and
- 9           (B) Existing public school capacity in the proposed  
10          area;
- 11          (3) The quality and durability of the design of the  
12          proposed new school;
- 13          (4) The speed of delivery of the proposed new school;
- 14          (5) The availability of suitable public or private land  
15          for the project site; and
- 16          (6) Compliance with applicable state laws.
- 17          (c) The school facilities authority may conduct a request  
18          for information process prior to issuing any request for  
19          proposal to solicit market feedback and identify potential  
20          delivery methods.





1           (d) The school facilities authority shall submit an  
2 interim report on the progress of the pilot program to the  
3 legislature no later than twenty days prior to the convening of  
4 the regular session of 2027. The report shall include for each  
5 request for proposals solicitation the geographic area selected:

6           (1) The number of applicants;

7           (2) A summary of the project proposed by the awarded  
8 proposal; and

9           (3) The state contributions proposed by the awarded  
10 proposal, including any state funding the proposal  
11 requests for fiscal year 2027-2028 and fiscal year  
12 2028-2029.

13          (e) The school facilities authority shall submit a final  
14 report of its findings and recommendations, including any  
15 proposed legislation, to the legislature no later than twenty  
16 days prior to the convening of the regular session of 2028. The  
17 report shall include an analysis of the costs, efficiencies, and  
18 challenges of the pilot program and a recommendation on whether  
19 the program should be continued, expanded, terminated, or  
20 otherwise adapted.



(f) The pilot program shall cease to exist on June 30, 2028.

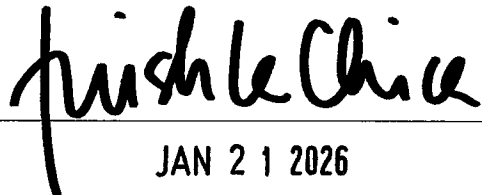
SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$3,000,000 or so much thereof as may be necessary for fiscal year 2026-2027 to develop and administer the requests for proposals for the pilot program as provided in section 3 of this Act.

The sum appropriated shall be expended by the school facilities authority for the purposes of this Act.

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect on July 1, 2026.

INTRODUCED BY:

  
JAN 21 2026



# H.B. NO. 1783

**Report Title:**

School Facilities Authority; Pilot Program; Public-private Partnership; Request for Proposals; Report; Appropriation

**Description:**

Requires the School Facilities Authority to establish a pilot program to develop three new public schools in areas based on demonstrated need through public-private partnerships. Authorizes the School Facilities Authority to use public-private partnerships for the development of public school facilities, including facilities at public charter schools. Requires reports to the Legislature. Appropriates funds.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

