

JAN 21 2026

A BILL FOR AN ACT

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, [~~or~~] 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;



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

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

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

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

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

(C) May execute loan and security agreements and 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) Cost savings to the State through a public-private partnership, including any proposed resource contributions by the State;

(2) How well the proposal mitigates unmet community needs for public school capacity in an area, including consideration of:

(A) Projected enrollment growth in the proposed area;
and

(B) Existing public school capacity in the proposed area;

(3) The quality and durability of the design of the proposed new school;

(4) The speed of delivery of the proposed new school;

(5) The availability of suitable public or private land for the project site; and

(6) Compliance with applicable state laws.

(c) The school facilities authority may conduct a request for information process prior to issuing any request for proposal to solicit market feedback and identify potential delivery methods.



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

(1) The number of applicants;

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

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

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



1 (f) The pilot program shall cease to exist on June 30,
2 2028.

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

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

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

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

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INTRODUCED BY: *Isaac L. Hodge*



S.B. NO. 2024

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.

