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GOVERNOR

RIKI FUJITANI
EXECUTIVE DIRECTOR



Hawai'i School Facilities Authority

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HONOLULU, HAWAII 96826

House Committee on Education

February 17, 2026
2:00 PM
Hawai'i State Capitol, Room 309

House Bill 2397, Relating to School Facilities

Dear Chair Woodson, Vice Chair La Chica, and Members of the Committee:

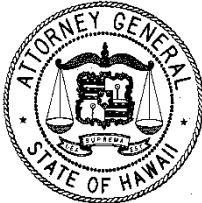
The Hawai'i School Facilities Authority (SFA) **supports** House Bill 2397, which would authorize the transfer of school impact fees from the Kalihi-Ala Moana school impact district to the school impact fees subaccount of the School Facilities Special Fund for the acquisition and renovation of one or more buildings in the downtown Honolulu area to develop and expand pre-kindergarten and public charter school capacity.

The SFA recognizes the continuing demand for early learning facilities and permanent space for public charter schools. Expanding pre-kindergarten and charter school capacity is an important component of addressing statewide educational needs and increasing access to educational opportunities. The downtown Honolulu area presents unique challenges related to site availability, cost, and development constraints, making the adaptive reuse of existing buildings a practical and efficient strategy.

We recommend broadening the possibilities for a project that fits the bill's description to also allow for the acquisition and development of land. Whether acquiring and renovating an existing building or acquiring and developing land for the proposed project is a better approach will depend on the available opportunities. Therefore, we ask for some flexibility.

Sincerely,

Riki Fujitani
Executive Director



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2026**

ON THE FOLLOWING MEASURE:

H.B. NO. 2397, RELATING TO SCHOOL FACILITIES.

BEFORE THE:

HOUSE COMMITTEE ON EDUCATION

DATE: Tuesday, February 17, 2026 **TIME:** 2:00 p.m.

LOCATION: State Capitol, Room 309

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

Chair Woodson and Members of the Committee:

The Department of the Attorney General (Department) provides the following comments.

This bill transfers school impact fees from the Kalihi-Ala Moana school impact district (KAM District) to the School Impact Fees subaccount of the School Facilities Special Fund for the acquisition and renovation of one or more buildings in the downtown Honolulu area to develop and expand pre-kindergarten and charter school capacity.

Under section 302A-1608, Hawaii Revised Statutes (HRS), school impact fees collected within a school impact district must be expended within that same district. Because the proposed project is located in downtown Honolulu, the expenditure initially appears to satisfy the statute's geographic spending limitations.

However, school impact fees are subject to constitutional limitations under the Takings Clause of the United States Constitution. See U.S. Const. amend. V; U.S. Const. amend. XIV. Under *Nollan v. California Coastal Comm'n*, 483 U.S. 825, 837 (1987) and *Dolan v. City of Tigard*, 512 U.S. 374, 391 (1994), a land use exaction must bear an "essential nexus" and "rough proportionality" to the impacts of the development that generated the fee. These standards apply to monetary impact fees, as clarified in *Koontz v. St. Johns River Water Mgmt. Dist.*, 570 U.S. 595, 612 (2013), and were

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recently affirmed to apply to legislatively enacted exactions in *Sheetz v. County of El Dorado, California*, 601 U.S. 267, 279 (2024).

Pre-kindergarten and charter schools often serve students from a broad geographic area, which may weaken the required nexus between the fee and its intended purpose if the population served is not sufficiently connected to development within the KAM District, creating constitutional risk.

While the bill specifies that the funds will expand pre-kindergarten and charter school capacity, the lack of detail on how the project serves the KAM District population may introduce constitutional uncertainty. If the project serves a population not reasonably linked to KAM District development, the funds could be vulnerable to forfeiture if challenged. The Department would be happy to work with the Legislature to address any concerns.

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

HB-2397

Submitted on: 2/13/2026 8:17:31 PM
Testimony for EDN on 2/17/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Johnnie-Mae L. Perry	Individual	Support	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry, Support

2397 HB RELATING TO SCHOOL FACILITIES.