
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 and
10 report to the legislature on the pilot program's
11 effectiveness; and
12 (2) Amend the powers of the school facilities authority.

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

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

- 17 (1) Have a seal and alter the same at its pleasure;
18 (2) Subject to subsection (b), make and execute contracts
19 and all other instruments necessary or convenient for
20 the exercise of its powers and functions under this
21 subpart;



- 1 (3) Make and alter bylaws for its organization and
2 internal management;
- 3 (4) Adopt rules pursuant to chapter 91 with respect to its
4 projects, operations, properties, and facilities,
5 including qualifications for persons and entities
6 wishing to enter into a public-private partnership
7 with the authority, as permitted in paragraph (7);
- 8 (5) Acquire or contract to acquire by grant or purchase
9 real, personal, or mixed property or any interest
10 therein; to clear, improve, and rehabilitate and to
11 sell, assign, exchange, transfer, convey, lease,
12 subdivide, or otherwise dispose of or encumber the
13 same;
- 14 (6) Acquire property by condemnation pursuant to chapter
15 101;
- 16 (7) Enter into partnerships with qualified persons,
17 including public-private partnerships, as defined in
18 the authority's rules, to acquire, construct,
19 reconstruct, rehabilitate, improve, alter, or provide
20 for the design, financing, construction,
21 reconstruction, improvement, [~~o~~] alteration, or



- 1 maintenance of any project, including prekindergarten
2 facilities[+], public charter school facilities, and
3 projects on privately-owned land; and sell, assign,
4 transfer, convey, exchange, lease, or otherwise
5 dispose of or encumber any project; and in the case of
6 the sale of any project, accept a purchase money
7 mortgage in connection therewith;
- 8 (8) Grant options to purchase any project or to renew any
9 lease entered into by it in connection with any of its
10 projects, on terms and conditions as it deems
11 advisable;
- 12 (9) Prepare or cause to be prepared plans, specifications,
13 designs, and estimates of costs for the construction,
14 reconstruction, rehabilitation, improvement, or
15 alteration of any project, and from time to time to
16 modify the plans, specifications, designs, or
17 estimates;
- 18 (10) Procure insurance against any loss in connection with
19 its property and other assets and operations in
20 amounts and from insurers as it deems desirable;



- 1 (11) Apply for and accept gifts or grants in any form from
2 any public agency or from any other source, including
3 gifts or grants from private individuals and private
4 entities;
- 5 (12) Borrow money or procure loan guarantees from the
6 federal government for or in aid of any project the
7 authority is authorized to undertake pursuant to this
8 chapter. Additionally, in connection with borrowing
9 or procurement of loan guarantees, the authority:
 - 10 (A) Shall comply with conditions required by the
11 federal government pursuant to applicable
12 regulation or required in any contract for
13 federal assistance;
 - 14 (B) Shall repay indebtedness incurred pursuant to
15 this section, including any interest thereon;
 - 16 (C) May execute loan and security agreements and
17 related contracts with the federal government;
 - 18 (D) May issue bonds pledging revenues, assessments,
19 or other taxes as security for indebtedness
20 incurred pursuant to this section; and



- 1 (E) May enter into financing agreements as that term
2 is defined in section 37D-1;
- 3 (13) Appoint or retain by contract one or more attorneys
4 who are independent of the attorney general to provide
5 legal services solely in cases of negotiations in
6 which the attorney general lacks the sufficient
7 expertise; provided that the independent attorney
8 shall consult and work in conjunction with the
9 designated deputy attorney general;
- 10 (14) Use the department of human resources development or
11 the department of education to recruit, hire, and
12 retain exempt employees, architects, engineers,
13 existing civil service positions, and other technical
14 positions for the development, planning, and
15 construction related to capital improvement projects;
- 16 (15) Partner with public and private development agencies
17 to develop:
- 18 (A) Housing on or off campus;
- 19 (B) Classrooms[+], including those at public charter
20 schools; and



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

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

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

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

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

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

19 (1) Cost savings to the State through a public-private
20 partnership, including any proposed resource
21 contributions by the State;



- 1 (2) How well the proposal mitigates unmet community needs
2 for public school capacity in an area, including
3 consideration of:
- 4 (A) Projected enrollment growth in the proposed area;
5 and
6 (B) Existing public school capacity in the proposed
7 area;
- 8 (3) The quality and durability of the design of the
9 proposed new school;
- 10 (4) The speed of delivery of the proposed new school;
- 11 (5) The availability of suitable public or private land
12 for the project site; and
- 13 (6) Compliance with applicable state laws.
- 14 (c) The school facilities authority may conduct a request
15 for information process prior to issuing any request for
16 proposal to solicit market feedback and identify potential
17 delivery methods.
- 18 (d) The school facilities authority shall submit an
19 interim report on the progress of the pilot program to the
20 legislature no later than twenty days prior to the convening of



1 the regular session of 2027. The report shall include for each
2 request for proposals solicitation the geographic area selected:

- 3 (1) The number of applicants;
- 4 (2) A summary of the project proposed by the awarded
5 proposal; and
- 6 (3) The state contributions proposed by the awarded
7 proposal, including any state funding the proposal
8 requests for fiscal year 2027-2028 and fiscal year
9 2028-2029.

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

18 (f) The pilot program shall cease to exist on June 30,
19 2028.

20 SECTION 4. There is appropriated out of the general
21 revenues of the State of Hawaii the sum of \$ or so



1 much thereof as may be necessary for fiscal year 2026-2027 to
2 develop and administer the requests for proposals for the pilot
3 program as provided in section 3 of this Act.

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

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

8 SECTION 6. This Act shall take effect on July 1, 3000.



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. Amends the powers of the School Facilities Authority. Requires reports to the Legislature. Appropriates funds. Effective 7/1/3000.
(HD1)

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

