
A BILL FOR AN ACT

RELATING TO THE STATE RISK MANAGEMENT REVOLVING FUND.

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

1 SECTION 1. The legislature finds that, due to insurance
2 claims for losses to state facilities and other state property
3 damaged or destroyed in Lahaina by the 2023 Maui wildfires, the
4 State has received property and liability proceeds that are
5 intended to be used to repair, rebuild, and restore impacted
6 state facilities and infrastructure. The legislature further
7 finds that the expenditure of funds from the state risk
8 management revolving fund is subject to legislative
9 appropriation and expenditure limits, and that an increase to
10 the fund's expenditure ceiling is necessary to allow the timely
11 use of these insurance proceeds for the rebuilding of state
12 facilities in Lahaina.

13 The legislature also finds that rebuilding efforts in
14 Lahaina involve multiple state agencies, the county of Maui, and
15 private entities. Absent coordinated planning between these
16 parties, rebuilding efforts may occur within silos and result in
17 duplicate work and funding, extended timelines, and inefficient



1 use of limited public and private resources. Without a master
2 coordinated project plan, critical state rebuilding projects
3 that could be funded through the state risk management revolving
4 fund may proceed through the traditional capital improvement
5 project process, which may impact funding for other critical
6 projects in the State and reduce the State's ability to fully
7 utilize available insurance proceeds in the state risk
8 management revolving fund for disaster-related losses to state
9 facilities.

10 The legislature additionally finds that the development of
11 a master coordinated project plan for the rebuilding of Lahaina,
12 in collaboration with the relevant state agencies, the county of
13 Maui, and other appropriate private entities, will enable the
14 State to align projects, map shared infrastructure needs,
15 identify opportunities to leverage shared resources, and
16 conserve and maximize the insurance proceeds in the state risk
17 management revolving fund. The legislature notes that this
18 master coordinated project plan should be a condition precedent
19 to the authorization of an increase to the expenditure ceiling
20 of the state risk management revolving fund for the recovery of
21 Lahaina to ensure that, to the fullest extent practicable,



1 moneys in the fund are leveraged to rebuild all state facilities
2 in Lahaina and the rebuilding is financed.

3 Accordingly, the purpose of this Act is to:

4 (1) Increase the expenditure ceiling and appropriate funds
5 out of the state risk management revolving fund to
6 enable the department of accounting and general
7 services, state risk management and insurance
8 administration to expend and distribute property and
9 liability insurance proceeds related to the 2023 Maui
10 wildfires for the rebuilding and restoration of state
11 facilities in Lahaina, including funds specifically
12 for:

13 (A) The King Kamehameha III elementary school;

14 (B) Offsite infrastructure surrounding the King
15 Kamehameha III elementary school;

16 (C) Roadways surrounding the King Kamehameha III
17 elementary school; and

18 (D) The Lahaina small boat harbor;

19 (2) Require the department of accounting and general
20 services to submit to the legislature a master
21 coordinated project plan developed in collaboration



- 1 with certain state agencies and in consultation with
2 the county of Maui and other relevant entities;
- 3 (3) Require the department of education to transfer to the
4 school facilities authority exclusive site control
5 over the new King Kamehameha III elementary school
6 property during the period of its construction, and
7 the department of accounting and general services to
8 transfer to the school facilities authority any
9 materials deemed necessary for the construction of the
10 school and provide further support as necessary upon
11 request;
- 12 (4) Require the school facilities authority to submit
13 monthly progress reports to the governor and
14 legislature; and
- 15 (5) Allow the governor to transfer certain authorities and
16 responsibilities related to the construction of King
17 Kamehameha III elementary school from the school
18 facilities authority to another state agency under
19 certain conditions.

20 SECTION 2. There is appropriated out of the state risk
21 management revolving fund established by section 41D-4, Hawaii



1 Revised Statutes, the sum of \$146,000,000 or so much thereof as
2 may be necessary for fiscal year 2026-2027 for the planning,
3 design, construction, and appurtenances for the King Kamehameha
4 III elementary school; provided that this appropriation is
5 contingent upon at least \$48,000,000 being matched by federal
6 funds; provided further that any funds reimbursed shall be
7 returned to the fund from which the original expenditure was
8 made.

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

11 SECTION 3. There is appropriated out of the state risk
12 management revolving fund established by section 41D-4, Hawaii
13 Revised Statutes, the sum of \$30,000,000 or so much thereof as
14 may be necessary for fiscal year 2026-2027 for the planning,
15 design, construction, and appurtenances of offsite
16 infrastructure improvements surrounding the King Kamehameha III
17 elementary school.

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

20 SECTION 4. There is appropriated out of the state risk
21 management revolving fund established by section 41D-4, Hawaii



1 Revised Statutes, the sum of \$12,000,000 or so much thereof as
2 may be necessary for fiscal year 2026-2027 for the roadways
3 surrounding the King Kamehameha III elementary school, including
4 for planning, design, construction, and appurtenances.

5 The sum appropriated shall be expended by the department of
6 transportation for the purposes of this Act.

7 SECTION 5. There is appropriated out of the state risk
8 management revolving fund established by section 41D-4, Hawaii
9 Revised Statutes, the sum of \$12,000,000 or so much thereof as
10 may be necessary for fiscal year 2026-2027 for the design and
11 construction of piers, loading docks, electrical systems,
12 pavement resurfacing, and appurtenances necessary to restore the
13 Lahaina small boat harbor damaged by the 2023 Maui wildfires.

14 The sum appropriated shall be expended by the department of
15 land and natural resources for the purposes of this Act.

16 SECTION 6. The department of accounting and general
17 services shall submit to the legislature a master coordinated
18 project plan for all projects funded by moneys appropriated out
19 of the state risk management revolving fund that represent a
20 transfer and distribution of property and liability insurance
21 proceeds related to the 2023 Maui wildfires. The department of



1 accounting and general services shall develop the master
2 coordinated project plan in collaboration with the following
3 state agencies:

- 4 (1) The department of land and natural resources' division
5 of boating and ocean recreation;
- 6 (2) The department of education;
- 7 (3) The department of transportation;
- 8 (4) The school facilities authority; and
- 9 (5) Any other state agency the department of accounting
10 and general services deems necessary;

11 provided that the department of education and school facilities
12 authority, in conjunction with the comptroller, shall consult
13 with the county of Maui and any other relevant entities deemed
14 necessary to outline the infrastructure redevelopment of Lahaina
15 and help facilitate a master coordinated project plan that will
16 allow all involved agencies and relevant entities to participate
17 in a meaningful and coordinated rebuilding of Lahaina.

18 SECTION 7. During the period of construction of the King
19 Kamehameha III elementary school, the department of education
20 shall transfer exclusive site control over the new school
21 property to the school facilities authority; provided that



1 exclusive site control shall revert to the department of
2 education upon the completion of construction of the elementary
3 school.

4 Within thirty days after the effective date of this Act,
5 the department of accounting and general services shall transfer
6 to the school facilities authority all existing plans, designs,
7 documents, active contracts, and any other materials deemed
8 necessary for the construction of the King Kamehameha III
9 elementary school. The department of accounting and general
10 services shall, upon request of the school facilities authority,
11 provide technical assistance, consultation, and other support
12 services as necessary to facilitate the transition,
13 construction, and continued development of the King Kamehameha
14 III elementary school.

15 SECTION 8. (a) The school facilities authority shall
16 submit a monthly milestone progress report to the governor and
17 legislature no later than five days after the end of each month;
18 provided that the report shall include:

- 19 (1) Critical path items;
20 (2) Project timelines;
21 (3) Key construction milestones; and



1 (4) Actions necessary to secure matching or supplemental
2 funds to ensure the timely completion of the King
3 Kamehameha III elementary school.

4 (b) If the governor, upon consultation with the
5 comptroller, determines that the school facilities authority is
6 at risk of failing to meet the deadlines necessary to obtain
7 matching or supplemental funds, the governor may transfer
8 expending authority, exclusive site control, and project
9 management responsibilities related to the construction of King
10 Kamehameha III elementary school, in whole or in part, from the
11 school facilities authority to the department of accounting and
12 general services, or another appropriate state agency.

13 SECTION 9. No moneys appropriated for a project under this
14 Act shall be available for expenditure until funding for the
15 entire cost for the respective project has been made available,
16 as determined by the comptroller.

17 SECTION 10. This Act shall take effect on July 1, 2026.



Report Title:

DAGS; DOE; SFA; DOT; DLNR; State Risk Management Revolving Fund; Wildfires; King Kamehameha III Elementary School; Report; Appropriations

Description:

Increases the expenditure ceiling and appropriates funds out of the State Risk Management Revolving Fund to distribute property and liability insurance proceeds related to the 2023 Maui wildfires to be expended by the School Facilities Authority, Department of Transportation, and Department of Land and Natural Resources to rebuild and restore certain state facilities in Lahaina. Requires the Department of Accounting and General Services to submit to the Legislature a master coordinated project plan developed in collaboration with certain state agencies and in consultation with the County of Maui and other relevant entities. Requires the Department of Education to transfer exclusive site control over the new King Kamehameha III Elementary School property to the SFA while the School is under construction. Requires DAGS to transfer to the SFA any materials deemed necessary for the construction of the School and to provide further support as necessary upon request. Requires the SFA to submit monthly progress reports to the Governor and Legislature. Allows the Governor to transfer certain authorities and responsibilities from the SFA to another state agency under certain conditions. Requires full funding for the projects for which funds are appropriated to be available before expenditure. (CD1)

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

