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# A BILL FOR AN ACT

RELATING TO EDUCATION.

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

1           SECTION 1. The legislature finds that capital improvement  
2 project appropriations and facilities planning within the  
3 department of education directly affect the delivery,  
4 continuity, and quality of educational services. Delays,  
5 prolonged encumbrances, underutilization, or lack of  
6 transparency in capital improvement project implementation may  
7 impair operational effectiveness and public trust.

8           The legislature further finds that transparency alone is  
9 insufficient if the department of education lacks the technical  
10 capacity to execute its projects and keep satisfactory records.  
11 For example, Heat Abatement, Report No. 25-09 from the office of  
12 the auditor, published August 2025, revealed systemic  
13 operational failures, noting that the department of education  
14 prioritized speed over planning, ignored professional  
15 engineering advice, and failed to account for long-term  
16 maintenance costs. Enhanced reporting and accountability  
17 measures are therefore necessary to ensure the efficient and



1 effective stewardship of public funds and to promote timely  
2 completion of education-related infrastructure projects.

3 The legislature also finds that a significant cause of  
4 these failures is the department of education's inability to  
5 recruit and retain qualified technical professionals. The  
6 legislature notes that existing law authorizes the school  
7 facilities authority to hire qualified staff exempt from civil  
8 service requirements at competitive market rates, allowing for  
9 greater flexibility and technical competence.

10 Accordingly, the purpose of this Act is to strengthen the  
11 reliability, flexibility, safety, and fiscal accountability of  
12 public education service delivery by:

- 13 (1) Requiring the department of education to submit annual  
14 reports to the legislature outlining specified  
15 information concerning capital improvement projects  
16 and facilities and post the reports to its website in  
17 a searchable format;
- 18 (2) Requiring that any capital improvement project funds  
19 encumbered for more than five years without  
20 commencement of construction be specifically



1 identified and justified or be subject to legislative  
 2 review for potential reversion or reassignment; and  
 3 (3) Temporarily authorizing the superintendent to appoint  
 4 and set the salaries of certain positions within the  
 5 office of facilities and operations to provide the  
 6 department with internal expertise, prevent future  
 7 project failures, and effectively manage the backlog  
 8 of school repairs.

9 SECTION 2. Chapter 302A, Hawaii Revised Statutes, is  
 10 amended by adding a new section to part V, subpart B, to be  
 11 appropriately designated and to read as follows:

12 **"§302A- Capital improvement projects; facilities; annual**  
 13 **reports.** (a) The department shall submit an annual capital  
 14 improvement project report to the legislature no later than  
 15 thirty days prior to the convening of each regular session;  
 16 provided that the reports under this section shall only apply to  
 17 projects administered by the department and shall not include  
 18 any of its attached agencies.

19 (b) The reports required in subsection (a) shall include,  
 20 for each capital improvement project with appropriated or  
 21 encumbered funds:

- 1        (1) The project title and location;
- 2        (2) Year or years of the appropriation and total amount
- 3        appropriated;
- 4        (3) Amount encumbered and amount expended;
- 5        (4) Project phase (planning, design, procurement,
- 6        construction, or completed);
- 7        (5) Original and current estimated completion dates;
- 8        (6) Explanation for any delay exceeding twenty-four months
- 9        from the appropriation date for the project;
- 10       (7) Cost overruns, change orders, and re-appropriations
- 11       requested or received;
- 12       (8) Name and title of the responsible project manager;
- 13       (9) Status of the project, including protests or
- 14       redesigns; and
- 15       (10) Whether the project is on time and within budget.
- 16       (c) The department shall include the following information
- 17 with the reports required by subsection (a):
- 18       (1) Total deferred maintenance backlog and year-over-year
- 19       change;
- 20       (2) Number of licensed technical staff assigned to
- 21       facilities management;



1        (3) Number of vacant facilities-related positions; and

2        (4) Total reliance on consultants, by dollar amount.

3        (d) The reports and all information required by this  
4 section shall be posted annually on the department's website in  
5 a searchable format.

6        (e) Any capital improvement project funds encumbered for  
7 more than five years without commencement of construction shall  
8 be specifically identified and justified, or shall be subject to  
9 legislative review for reversion or reassignment."

10        SECTION 3. Chapter 302A, Hawaii Revised Statutes, is  
11 amended by adding a new section to part VI to be appropriately  
12 designated and to read as follows:

13        "**§302A- Office of facilities and operations; technical**  
14 **staff; pilot program.** (a) Notwithstanding any other law to the  
15 contrary, the superintendent may redesignate and convert any  
16 existing position within the office of facilities and operations  
17 that is funded but vacant to be exempt from chapter 76 for the  
18 purpose of hiring qualified technical professionals; provided  
19 that:



- 1        (1) The total number of full-time equivalent positions  
2        within the office of facilities and operations shall  
3        not increase;
- 4        (2) The number of exempt positions established pursuant to  
5        this section shall not exceed twenty at any one time;
- 6        (3) The superintendent shall utilize existing vacant  
7        position counts to establish the exempt positions;
- 8        (4) The exemption shall apply exclusively to individuals  
9        with specialized expertise in the following areas:
- 10       (A) Construction project management; provided further  
11       that consultants for construction project  
12       management shall not be eligible for exempt  
13       positions established pursuant to this section;
- 14       (B) Construction inspection;
- 15       (C) Data management, project controls, or digital  
16       systems implementation; and
- 17       (D) Recordkeeping for all capital improvement  
18       projects; and
- 19       (5) Before the appointment of any exempt position under  
20       this section, the superintendent shall submit a plan  
21       to the board and legislature identifying the proposed



1           organizational structure and specific digital project  
2           management system the office of facilities and  
3           operations will implement to track project status in  
4           real-time.

5           (b) Notwithstanding any law to the contrary and if  
6           negotiated pursuant to section 89-9, for those employees within  
7           appropriate bargaining units under section 89-6, the  
8           superintendent may fix the compensation for positions  
9           redesignated and converted to positions exempt from chapter 76  
10          under this section at rates comparable to prevailing market  
11          rates.

12          (c) The department shall submit an annual report to the  
13          legislature no later than thirty days prior to the convening of  
14          each regular session, including:

- 15          (1) Specific vacant positions that were redesignated as  
16          exempt under this section;
- 17          (2) Deliverables achieved by newly appointed exempt  
18          professionals; and
- 19          (3) The impact of exempt appointments made pursuant to  
20          this section on the efficiency of facility repair and  
21          maintenance projects."



- 1 SECTION 4. New statutory material is underscored.
- 2 SECTION 5. This Act shall take effect on July 1, 3000;
- 3 provided that section 3 shall be repealed on June 30, 2029.



**Report Title:**

DOE; Superintendent; Office of Facilities and Operations;  
Capital Improvement Projects; Facilities; Website; Exempt  
Positions; Pilot Program; Reports

**Description:**

Requires the Department of Education to submit annual reports to the Legislature outlining certain information concerning capital improvement projects and facilities. Requires the reports to be posted on DOE's website annually in a searchable format. Provides that any CIP funds encumbered for more than five years without commencement of construction to be identified and justified, or be subject to legislative review for reversion or reassignment. Establishes a three-year pilot program authorizing the Superintendent to redesignate certain positions in the Office of Facilities and Operations as exempt from civil service laws. Effective 7/1/3000. (HD2)

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

