
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. The
8 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 Heat Abatement, Report No. 25-09 from the Office of the Auditor,
12 published August 2025, revealed systemic operational failures,
13 noting that the department of education prioritized speed over
14 planning, ignored professional engineering advice, and failed to
15 account for long-term maintenance costs. Enhanced reporting and
16 accountability measures are therefore necessary to ensure the
17 efficient and effective stewardship of public funds and to



1 promote timely completion of education-related infrastructure
2 projects.

3 The legislature further 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 agility 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



9 SECTION 2. Chapter 302A, Hawaii Revised Statutes, is
10 amended by adding a new section to part IV, 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 (b) The reports required in subsection (a) shall include,

17 for each capital improvement project with appropriated or

18 encumbered funds:

19 (1) The project title and location;

20 (2) Year or years of the appropriation and total amount

21 appropriated;

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



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

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

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

11 **"§302A- Office of facilities and operations; technical**
12 **staff; pilot program.** (a) Notwithstanding any other law to the
13 contrary, the superintendent may redesignate and convert any
14 existing position within the office of facilities and operations
15 that is funded but vacant to be exempt from chapter 76 for the
16 purpose of hiring qualified technical professionals; provided
17 that:

18 (1) The total number of full-time equivalent positions
19 within the office of facilities and operations shall
20 not increase;

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



1 operations will implement to track project status in
2 real-time.

3 (b) The superintendent may fix the compensation for
4 positions redesignated and converted to positions exempt from
5 chapter 76 under this section at rates comparable to prevailing
6 market rates.

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

10 (1) Specific vacant positions that were redesignated as
11 exempt under this section;
12 (2) Deliverables achieved by newly appointed exempt
13 professionals; and
14 (3) The impact of exempt appointments made pursuant to
15 this section on the efficiency of facility repair and
16 maintenance projects."

17 SECTION 4. New statutory material is underscored.

18 SECTION 5. This Act shall take effect on July 1, 2026;
19 provided that section 3 shall be repealed on June 30, 2031.

Report Title:

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

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 shall be specifically identified and justified, or shall be subject to legislative review for reversion or reassignment. Establishes a five-year pilot program authorizing the Superintendent of Education to redesignate funded, vacant positions in the Office of Facilities and Operations as positions exempt from Hawaii's Civil Service Laws for the purpose of hiring qualified professionals.

(Proposed SD1)

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