

STAND. COM. REP. NO. **3267**

Honolulu, Hawaii

MAR 30 2026

RE: H.B. No. 2345
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Education, to which was referred H.B. No. 2345, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO SCHOOL FACILITIES,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require the School Facilities Authority to establish geographically based capital improvement project districts for the localized management of deferred maintenance;
- (2) Transfer all deferred maintenance functions, funds, and vacant Facilities Development Branch positions from the Department of Education to the School Facilities Authority; and
- (3) Appropriate funds.

Your Committee received testimony in support of this measure from one individual.

Your Committee received testimony in opposition to this measure from the Department of Education.



Your Committee received comments on this measure from the Department of Accounting and General Services; Hawai'i School Facilities Authority; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and United Public Workers, AFSCME Local 646, AFL-CIO.

Your Committee finds that the Department of Education has struggled to manage its significant capital improvement and deferred maintenance duties, as demonstrated by its over \$2 billion in unspent capital improvement funds and deferred maintenance backlog of over three thousand projects estimated to cost over \$700 million. This backlog contributes to increased future costs and unsafe learning environments. Your Committee further finds that the School Facilities Authority was established to streamline and expedite the modernization of educational infrastructure and is therefore well-suited to help resolve the backlog. This measure will implement a localized and responsive approach to managing deferred maintenance, thereby supporting student and staff well-being, and enhancing educational outcomes.

Your Committee has amended this measure by inserting an effective date of July 31, 2055, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2345, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2345, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Education,



DONNA MERCADO KIM, Chair



