

JOSH GREEN, M.D.
GOVERNOR



RIKI FUJITANI
EXECUTIVE DIRECTOR



Hawai'i School Facilities Authority

2759 S. KING STREET, ROOM H201
HONOLULU, HAWAII 96826

Senate Committee on Ways and Means

March 3, 2026

10:17 AM

Hawai'i State Capitol, Room 211

Senate Bill 2024, Senate Draft 1, Relating to Charter School Facilities

Dear Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee,

The School Facilities Authority (SFA) **supports** Senate Bill 2024, Senate Draft 1, which would require the SFA to establish a pilot program to develop three new public schools in areas based on demonstrated need through public-private partnerships (P3s).

Hawai'i continues to face some of the highest public school construction costs in the nation. These escalating costs make it increasingly difficult to provide adequate educational facilities for students, particularly in communities experiencing enrollment growth and capacity constraints. At the same time, traditional school delivery timelines are often too slow to respond to urgent needs. Overcrowding, aging infrastructure, and rising costs require that the State explore new approaches that are both efficient and accountable.

Other jurisdictions have successfully used public-private partnerships to accelerate school delivery. For example, Prince George's County Public Schools in Maryland delivered six new public schools through a long-term P3 model that bundled design, construction, financing, and maintenance into a single performance-based agreement. While the district makes structured public payments over time, the approach provided faster delivery, predictable costs, and long-term accountability for facility upkeep. This illustrates the type of model Hawai'i can evaluate through this pilot program.

SB2024 SD1 provides a framework for testing alternative delivery methods through a limited pilot program. Specifically, the bill would require SFA to establish a program to develop three new public schools located in different geographic areas based on demonstrated community need using P3s.

SFA supports piloting this approach because it allows the State to evaluate whether P3 models can deliver school facilities that are more cost-effective, delivered more quickly, and designed for long-term durability and quality. Importantly, P3s are not a substitute for public funding, but a tool that may allow the State to deliver facilities more efficiently while ensuring long-term upkeep, performance standards, and public oversight. In some cases, a P3 model may allow the State to deliver a school facility at a substantially lower cost than traditional procurement, potentially reducing the overall capital required for delivery.

SFA appreciates that the bill establishes clear requirements for transparency and accountability. The pilot program would be implemented through competitive requests for proposals evaluated on criteria that include:

- Cost savings to the State
- Community need and enrollment growth
- Quality of design
- Speed of delivery
- Site availability
- Compliance with applicable laws

The bill also includes legislative oversight through required interim and final reports to evaluate the effectiveness of the pilot program, including costs, efficiencies, and implementation challenges.

The appropriation provided in this measure would allow SFA to develop and administer the procurement process, engage the market effectively, and ensure that proposals are realistic, financeable, and aligned with community priorities before the State makes major long-term commitments. By investing in this structured planning and procurement process, Hawai'i can make better-informed decisions and build a pipeline of viable school projects that reflect both fiscal responsibility and educational urgency.

Mahalo for the opportunity to testify.

Sincerely,

Riki Fujitani
Executive Director



STATE OF HAWAII
DEPARTMENT OF EDUCATION
KA 'OIHANA HO'ONA'AUAO
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 03/03/2026

Time: 10:17 AM

Location: CR 211 & Videoconference

Committee: WAM

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Title of Bill: SB2024, SD1, RELATING TO CHARTER SCHOOL FACILITIES.

Purpose of Bill: Authorizes the School Facilities Authority to use public-private partnerships for the development of public school facilities, including facilities at public charter schools. 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. Requires reports to the Legislature. Appropriates funds. (SD1)

Department's Position:

The Hawaii State Department of Education (Department) appreciates the opportunity to provide comments and concerns on SB 2024, SD 1, which proposes a pilot program authorizing the Hawaii School Facilities Authority (SFA) to develop three new schools through public-private partnerships (PPP).

The Department recognizes the Legislature's interest in identifying innovative, cost-efficient approaches to address Hawaii's high school construction costs. We also acknowledge the potential value of PPP models when appropriately structured and applied in the right educational context.

The Department acknowledges that the PPP structure in SB 2024, SD 1 may be more appropriate for start-up charter schools. Start-up charters operate with greater autonomy and operational flexibility, are not bound to the Department's educational programming structures, and frequently rely on private or non-Department Lands. The Department also notes the continuing evolution of the SFA's authority and responsibilities. As its portfolio expands to include pilot housing initiatives and potential PPP projects, it is essential to clearly define its authority and responsibilities to avoid duplication of effort and administrative inefficiencies. Ensuring SFA's authority and responsibilities are well-defined will improve coordination and reduce the risk of disruption to Department operations.

For these reasons, the Department strongly requests that Section 3 be amended to expressly prohibit the development of any PPP project on Department-controlled land, whether currently held, actively used, or reserved for future facilities needs. This restriction broadly applies to any parcel owned, managed, operated, or encumbered by the Department, including properties under agreement, dedication, long-term planning designation, or other forms of commitment.

Thank you for this opportunity to provide comments for SB 2024, SD 1.



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March 1, 2026

Senate Committee on Ways and Means
Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair

Regarding: **Support for SB 2024 SD1 Relating to Charter School Facilities**

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee,

HawaiiKidsCAN strongly supports SB2024 SD1, which 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; authorizes the School Facilities Authority to use public-private partnerships for the development of public school facilities, including facilities at public charter schools; requires reports to the Legislature; and appropriates funds.

Founded in 2017, HawaiiKidsCAN is a local nonprofit organization committed to ensuring that Hawaii has an excellent and equitable education system that reflects the true voices of our communities and, in turn, has a transformational impact on our children and our state. We believe that all students should have access to excellent educational opportunities, regardless of family income levels and circumstances.

Perhaps more than anyone, the legislature understands how the flow of population change in our communities is putting pressure on our existing school facilities model. As certain communities age, schools are facing under-enrollment and a reliance on geographic exceptions to fill seats. In other regions, rapid community development and growth has left existing schools bursting at the seams.

Simply put, the status quo does not seem to be working. With state budgets tightening and new school construction not keeping pace with need, a new approach is clearly needed. The Hawaii School Facilities Authority (SFA) is in the perfect position to develop and execute on a new model of public school facilities development that will benefit both families and state taxpayers. The SFA has demonstrated its ability to deliver wins for Hawaii families, including leading the significant growth of new public pre-K



classrooms. The SFA has the flexibility and creativity to lead new funding initiatives, such as the public-private partnership (P3) model proposed in this bill.

Based on national best-practices, P3s create incentives for timely delivery & risk sharing. In P3 contracts, risk is shared with private partners, who have “skin in the game” to deliver on budget and on schedule, and the private sector brings project management and innovation expertise that the public sector may lack. This can reduce the risk of projects being stalled by internal capacity issues - the very obstacles highlighted in Hawaii’s capital improvement program backlog. Furthermore, P3s can expand the pool of available capital for school facilities without immediately increasing debt. Private capital can be used to build critical infrastructure now, with repayment over time, allowing urgent needs to be addressed sooner rather than waiting for constrained public budgets.

Given the frustration expressed by communities and elected officials over stalled projects and lapsing funds, a well-designed P3 pilot demonstrates a serious commitment to innovative solutions that meet Hawaii’s urgent school facility needs. Schools in Hawaii have already proven what is possible, such as the new high-end facility Kīhei Charter School developed at the cost of \$18,600,000 for a student population of over 650. In comparison, public schools such as Kūlanihākoī High School (\$440 million), East Kapolei Elementary School (\$160 million), and East Kapolei High School (\$700 million) have expected costs that feel unsustainable, especially in resource-constrained times.

Our students and families should not have to wait for access to high quality school facilities and educational experiences. We believe this P3 pilot will be a transformative step in modernizing Hawaii’s education ecosystem.

Mahalo for your consideration,

Erica Nakanishi-Stanis
Advocacy Director
HawaiiKidsCAN



UNITED PUBLIC WORKERS

AFSCME Local 646, AFL-CIO

THE SENATE KA 'AHA KENEKOA

THE THIRTY-THIRD LEGISLATURE REGULAR SESSION OF 2026

COMMITTEE ON WAYS AND MEANS
Sen. Donovan M. Dela Cruz, Chair
Sen. Sharon Y. Moriwaki, Vice Chair

Tuesday, March 3, 2026, 10:17 AM
Conference Room 211 & Videoconference

Re: Testimony on SB2024, SD1 – RELATING TO CHARTER SCHOOL FACILITIES

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

The United Public Workers, AFSCME Local 646, AFL-CIO (“UPW”) is the exclusive bargaining representative for approximately 14,000 public employees, which includes blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health, and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties.

UPW **opposes** SB2024, SD1, which requires the School Facilities Authority (“SFA”) to establish a pilot program to develop three new public schools in areas based on demonstrated need through public-private partnerships. This measure also authorizes the SFA to use public-private partnerships for the development of public school facilities, including facilities at public charter schools.

UPW is opposed to legislation that authorizes the possible privatization of the duties that have historically been performed by public employees. We are concerned with language (page 4, lines 8-9) that would allow the SFA to enter into partnerships for the maintenance of any project. Based on prior private-public partnerships in state government, our concern is that the maintenance of the proposed projects could be contracted out rather than utilizing public workers who can perform these duties. Should this committee choose to pass this measure, we would ask that this language be removed.

Mahalo for the opportunity to testify on this measure.

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JOSH GREEN, M.D.
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CHAIRPERSON

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FOR: SB 2024 SD1 RELATING TO CHARTER SCHOOL FACILITIES
DATE: March 3, 2026
TIME: 10:17 A.M.
COMMITTEE: Committee on Ways and Means
ROOM: Conference Room 211 & Videoconference
FROM: Ed H. Noh, Ed. D., Executive Director
State Public Charter School Commission

Chair Dela Cruz, Vice Chair Moriwaki and members of the Committee:

The State Public Charter School Commission (“Commission”) appreciates the opportunity to offer testimony in **SUPPORT of SB 2024 SD1** which:

- 1) Allows the School Facilities Authority (‘SFA’) to develop and finance public charter school facilities and projects on privately-owned land;
- 2) Requires SFA to establish a pilot program for the development of three new public-private partnership schools;
- 3) Requires SFA to submit reports to the Legislature on the progress of the pilot program prior to the 2027 legislative session; and
- 4) Requires SFA to submit a final report to the Legislature on the progress of the pilot program prior to the 2028 legislative session.

Securing facilities for public charter schools continues to be an ongoing challenge that affects the performance and success of charter schools and their students. Innovative programs and proposals such as the development of public-private partnership schools by SFA are supported by the Commission as an alternative way to address charter school facility issues. The Commission has already successfully opened two new Preschool-only charter schools utilizing an innovative model of a public-private partnerships.

The Commission is available to work with this committee and SFA on moving this legislation forward. Thank you for the opportunity to provide this testimony.