



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2026**

ON THE FOLLOWING MEASURE:

S.B. NO. 2548, RELATING TO SCHOOL FACILITIES.

BEFORE THE:

SENATE COMMITTEE ON EDUCATION

DATE: Wednesday, February 18, 2026 **TIME:** 1:02 p.m.

LOCATION: State Capitol, Room 229

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Anne T. Horiuchi, Deputy Attorney General or Randall M. Wat,
Deputy Attorney General

Chair Kim and Members of the Committee:

The Department of the Attorney General (Department) provides the following comments.

This bill: (1) requires the School Facilities Authority (SFA) to establish geographically based capital improvement project districts for the localized management of deferred maintenance; (2) transfers all deferred maintenance functions, funds, and vacant facilities development branch positions from the Department of Education to the SFA, as intended and contemplated in Act 72, Session Laws of Hawaii 2020; and (3) appropriates funds.

Section 3(c) of the bill (Page 4, lines 9-13) provides:

(c) All appropriations, items of appropriation, and unexpended balances of funds, including any federal funds, designated for deferred maintenance **or facilities development** within the department of education, are transferred to the school facilities authority.

By adding "or facilities development" to deferred maintenance, section 3(c) appears to extend beyond the stated purpose of the bill. Section 1 of the bill (page 2, lines 6–17) identifies for transfer only vacant Facilities Development Branch positions and functions, duties, and funds related to deferred maintenance.

If the Legislature intends to transfer all appropriations designated for facilities development from the Department of Education to the SFA, the Department

recommends that section 1 be revised to reflect that intent. If that is not the Legislature's intent, the Department recommends that the phrase "or facilities development" (page 4, line 11) be deleted from section 3(c).

Additionally, the Department notes that the term "deferred maintenance" is not defined in chapter 302A, HRS. Section 37-68, HRS, contains the following definition of "deferred maintenance costs," which may be advisable to use as the basis for a definition in the proposed new section:

"[D]eferred maintenance costs" means the costs to catch up on the repair and maintenance of the state-owned building, facility, or other improvement that has been delayed past the ordinarily scheduled repair and maintenance cycle. The department of budget and finance may further refine this definition in its instructions to the agencies furnishing the information.

Thank you for the opportunity to provide comments on this bill.



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

LATE

Date: 02/18/2026

Time: 01:02 PM

Location: CR 229 & Videoconference

Committee: EDU

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Title of Bill: SB2548, RELATING TO SCHOOL FACILITIES.

Purpose of Bill: Requires the School Facilities Authority to establish geographically based capital improvement project districts for the localized management of deferred maintenance. Transfers all deferred maintenance functions, funds, and vacant facilities development branch positions from the Department of Education to the School Facilities Authority as intended and contemplated in Act 72, SLH 2020. Appropriates funds.

Department's Position:

The Hawaii State Department of Education (Department) appreciates the opportunity to provide comments in opposition to SB 2548 and shares the Legislature's ongoing commitment to modern, safe, and well-maintained learning environments statewide. However, the Department respectfully opposes SB 2548, as the measure would duplicate existing organizational structures, fragment a centralized statewide system, and bypass the collaborative framework established under Act 72, Session Laws of Hawaii 2020.

As written, SB 2548 would (1) require the School Facilities Authority (SFA) to establish geographically based capital improvement project districts to localize management of deferred-maintenance projects; (2) transfer all rights, powers, functions, and duties relating to deferred maintenance from the Department to the SFA; (3) transfer all vacant Facilities Development Branch (FDB) positions to the SFA; and (4) transfer all appropriations and unexpended balances designated for deferred maintenance (and "facilities development") to the SFA, with a new appropriation and an effective date of July 1, 2026.

As also written, SB 2548 states that the Department's centralized system has contributed to a backlog of deferred maintenance, citing Act 72 (2020) as the intended transfer of certain functions and positions from the Department to the SFA, and proposes geographically based districts under SFA to increase responsiveness.

Backlog factors extend beyond organizational structure. The challenges the Department faces stem from long-standing funding levels, the age and complexity of school facilities, and modern code requirements that expand project scope, not simply

the way the Department is organized.

Given this context, it is also important to clarify what Act 72 actually required and what it did not do. Act 72 did not transfer the funding or positions of the Department's Office of Facilities and Operations (OFO), which houses the FDB. Act 72, Section 8, explicitly states it "shall not be construed to transfer the department of education office of facilities and operations, including the facilities maintenance branch and auxiliary services branch and any general fund and position appropriations, to the school facilities agency." Act 72, Section 10, further requires that the SFA "shall collaborate" with the Department before proposing any transfer of positions; that collaboration did not occur. These provisions establish a clear boundary: no automatic transfer of OFO or FDB was authorized under Act 72, and any contemplated transfer would need to be developed jointly and brought back as future legislation.

In addition, the Department already administers its deferred maintenance program through geographically based districts aligned with existing school district structures and in coordination with the Department of Accounting and General Services (DAGS) on the neighbor islands. This system provides localized coordination with principals and complex areas while maintaining statewide consistency in prioritization, safety, and compliance. Because this framework is already in place and functioning, requiring SFA to create a separate set of geographically based project districts would simply duplicate existing structures without improving responsiveness.

Building on this foundation, the Department continues to strengthen local support. Complex Area Superintendents (CAS) now play an expanded role in elevating local facility priorities, and District Project Coordinators serve as direct, school-facing contacts for deferred maintenance. On the neighbor islands, these coordinators live and work in the communities they serve, providing on-the-ground responsiveness without the need to create an additional authority.

As written, the bill enables SFA to establish project districts aligned with Department districts to manage deferred-maintenance design, construction, budgets, and schedules, and function as schools' primary local point of contact. This proposal would create overlapping authority and introduce confusion at the school level. Establishing SFA district offices would insert a parallel structure between schools and the entities already responsible for daily operations, safety, and instructional continuity. It would duplicate functions that are already provided through CAS prioritization and District Project Coordinators, both of which deliver localized responsiveness within the Department's statewide system.

Compounding this overlap, the proposal directly conflicts with existing daily maintenance structures. Daily maintenance is performed by the Facilities Maintenance Branch (FMB) on Oahu and by the DAGS district offices on the neighbor islands. These teams have long-standing relationships with schools and with FDB, ensuring coordinated support and quick response during emergencies. Introducing another agency into this network would complicate coordination and create multiple points of contact at the school level, particularly during urgent situations.

This fragmented structure would require principals and school staff to navigate multiple agencies for different aspects of facilities work—SFA for some projects, the Department for others, and DAGS or FMB for daily repairs. Such divided responsibility would blur accountability, increase the risk of delays or miscommunication, and lead to inconsistent sequencing of deferred maintenance and capital work.

In addition to these operational issues, the bill provides no statewide rules for how SFA should prioritize deferred maintenance projects or how its performance should be measured. Without statewide prioritization criteria or performance metrics, ensuring consistency and equity across districts would be extremely difficult.

The term “deferred maintenance” is undefined and overly broad. Chapter 302A contains no definition of “deferred maintenance,” and without clarity, budgeting, responsibilities, and accountability become difficult to manage. A clear and narrow definition is essential to prevent scope creep and ensure that maintenance and capital responsibilities remain distinct.

This distinction is especially important because deferred maintenance and CIP projects are often interdependent. FDB oversees both so that repairs, system renewals, and modernization work are sequenced efficiently and do not conflict with or undo each other. Transferring only deferred maintenance to SFA while leaving CIP with the Department would break apart this integrated model, leading to coordination gaps, conflicting schedules, reduced efficiency, duplicated mobilizations, and increased costs.

This misalignment also runs counter to the structure originally envisioned under Act 72. When Act 72 established the SFA, the Legislature intended the SFA to serve as a complementary partner focused on large, high-priority initiatives, while the Department continued to manage repair, maintenance, and capital improvement responsibilities. The transfer proposed in SB 2548 is inconsistent with that intended balance. Further, Act 72, Section 10 required that the SFA “shall collaborate” with the Department before proposing any position transfers, but that collaboration did not occur. Section 8 also kept OFO and FDB within the Department under that Act, making clear that any future transfer would require separate legislation developed jointly.

Beyond these statutory issues, transferring only vacant positions undermines the Department’s ability to maintain stable staffing during a period when FDB is actively filling longstanding vacancies. Moving only vacant positions harms hiring efforts, destabilizes teams, and disrupts long-term staffing plans. This piecemeal transfer interrupts the Department’s progress in rebuilding internal capacity and jeopardizes continuity for in-flight CIP projects.

Compounding these concerns, SFA is currently a small agency focused on a narrow set of projects, such as preschools, the Central Maui school, and workforce housing. It is not structured or staffed to operate a statewide deferred maintenance program. Shifting hundreds of millions of dollars in deferred maintenance responsibilities to an agency without a proven operational foundation is premature and places school operations at risk.

Finally, including “or facilities development” in Section 3(c) is overly broad and exceeds the stated purpose of transferring deferred maintenance alone. That phrase should be deleted unless the Legislature intends a far broader restructuring. In addition, transferring federal funded projects to the med-stream creates a significant risk of disruption without a clear continuity plan.

A blank appropriation for SFA to create a statewide district-based structure is fiscally indeterminate and would divert scarce resources from critical work already being delivered.

An immediate transfer on July 1, 2026, without a joint implementation plan, risks disrupting school operations and emergency response. Act 72 intended collaboration first, not a sudden agency handoff.

The Department operates a hybrid model that already balances statewide equity with local responsiveness. Because Hawaii is a single statewide school district, appropriations, safety oversight, and systemwide accountability remain centralized. At the same time, the CAS helps elevate local facility needs, and District Project Coordinators provide on-the-ground responsiveness to schools. Daily maintenance is delivered by the FMB on Oahu and by DAGS district crews on the neighbor islands, ensuring consistent, reliable support statewide. Tools such as Job Order Contracting further assist in reducing backlog and standardizing delivery. This existing structure already achieves the very outcomes that SB 2548 seeks, while avoiding the fragmentation and operational disruption that the bill would introduce. For these reasons, the Department respectfully opposes SB 2548.

Thank you for the opportunity to provide testimony on SB 2548.

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 Education

February 18, 2026
1:00 PM

Hawai'i State Capitol, Room 229

Senate Bill 2548, Relating to School Facilities

Dear Chair Mercado Kim, Vice Chair Kidani, and Members of the Committee:

The School Facilities Authority (SFA) offers comments on Senate Bill 2548, which would require the SFA to establish geographically based capital improvement project districts for the localized management of deferred maintenance and would transfer all deferred maintenance functions, funds, and vacant Facilities Development Branch positions from the Department of Education (DOE) to the SFA, as intended and contemplated in Act 72, SLH 2020.

The SFA is committed to modernizing Hawai'i's public school environments to enhance educational outcomes, support student and staff well-being, and strengthen communities statewide. SB 2548 is of significant interest to the SFA because it proposes localizing the management of deferred maintenance, a critical challenge facing our school facilities.

By establishing geographically based capital improvement project districts, this bill enables a more localized and responsive approach to managing deferred maintenance. Under the current structure, deferred maintenance is largely managed from O'ahu, even when issues arise on neighbor islands. SB 2548 would allow deferred maintenance activities to be managed through district-based oversight and dedicated regional points of accountability closer to the schools they affect. SFA believes this localized model

could improve responsiveness, coordination with school communities, and stewardship of public resources.

If the Legislature determines that the locally managed deferred maintenance program is best situated with SFA instead of the DOE, we request adequate resources for the transition and the exemption of at least seven of the transferred positions from civil service to quickly fill vacancies necessary for the administration of this program.

Mahalo for the opportunity to testify.

Sincerely,

Riki Fujitani
Executive Director



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Thirty-Third Legislature, State of Hawaii
The Senate
Committee on Education

Testimony by
Hawaii Government Employees Association

February 18, 2026

S.B. 2548 – RELATING TO SCHOOL FACILITIES

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO wishes to provide comments on S.B. 2548 which requires the School Facilities Authority (SFA) to establish geographically based capital improvement project districts for the localized management of deferred maintenance. The bill transfers all the deferred maintenance functions, funds, and vacant facilities development branch positions from the Department of Education to the SFA as intended and contemplated in Act 72, SLH 2020.

We recognize and respect the Legislature's desire to have a centralized system for managing school capital improvement projects. Greater efficiency, accountability, and responsiveness to deferred maintenance projects are ones we fully support. However, this measure does not clearly define the authority, decision-making power, or operating scope of the School Facilities Authority (SFA) in relation to the Department. Add to that the role of the Department of Accounting and General Services which is involved in the maintenance of neighbor island schools.

Without clear statutory delineation, this bill risks deepening the confusion and misalignment that already exist between these entities. Our members continue to experience inconsistent communication, unclear roles, and overlapping responsibilities between the SFA and the Department and creating geographically based capital improvement project districts will just add another layer of bureaucracy. We do not believe that transferring vacant positions and all functions, duties, and funds from the Department to SFA will resolve these problems and fear it will instead further entrench the very inefficiencies this bill seeks to solve.

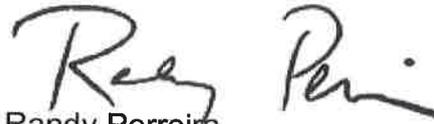
For these reasons, we respectfully request that the Legislature refine this measure to ensure clear, non-overlapping definitions of authority and responsibility between the SFA, DOE, and DAGS, formalized processes for communication, coordination, and shared decision-making; and transparent accountability structures that prevent

duplication, enhance efficiency, and ensure that students, schools, and communities receive the timely facilities improvements they have been promised.

Our members are committed to supporting safe and modern learning environments. To do that effectively, we need legislation that strengthens—not complicates—the governance structure guiding Hawaii’s school facilities.

Thank you for the opportunity to provide comments on S.B. 2548.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Randy Ferreira". The signature is written in a cursive, flowing style.

Randy Ferreira
Executive Director



Hawai'i Children's Action Network Speaks! is a nonpartisan 501c4 nonprofit committed to advocating for children and their families. Our core issues are safety, health, and education.

To: Senate Committee Committee on Education
Re: SB 2548-Relating to School Facilities
Hawai'i State Capitol room 229 & Via Videoconference
Friday, February 18, 2026, 1:02 PM

Dear Chair Kim, Vice Chair Kidani, and Respected Committee Members,

On behalf of Hawai'i Children's Action Network (HCAN) Speaks!, we respectfully submit testimony in **STRONG SUPPORT for SB 2548**.

Every child in Hawai'i deserves to learn in a safe, healthy, and well-maintained school. Yet too many of our public school campuses continue to struggle with significant deferred maintenance needs; from leaking roofs and outdated electrical systems to inadequate ventilation and aging classrooms. These facility challenges directly impact student learning, educator retention, and overall school climate.

SB 2548 takes an important step toward addressing these longstanding issues by fully implementing the intent of Act 72 (2020). By transferring deferred maintenance functions, funding, and relevant positions from the Department of Education to the School Facilities Authority and by establishing geographically based capital improvement project districts this measure strengthens accountability, responsiveness, and project delivery.

Localizing project oversight under the SFA will allow decisions to be more closely aligned with community needs. Schools across different islands and regions face unique challenges. A geographically based structure ensures that maintenance priorities are identified and addressed more efficiently and equitably, rather than being delayed within a centralized system.

Importantly, this bill also supports transparency and fiscal responsibility. Consolidating deferred maintenance functions under a dedicated authority with focused expertise can streamline project management, reduce bottlenecks, and improve outcomes for taxpayers and students alike. When school repairs and improvements are completed on time and within budget, communities gain greater confidence in public systems.

For HCAN Speaks!, school facilities are not simply infrastructure, they are foundational to child well-being and educational equity. Students cannot fully thrive in environments that are unsafe, unhealthy, or in disrepair. Modern, well-maintained campuses contribute to consistent attendance, stronger teacher morale, and better learning outcomes. Ensuring that facilities are properly managed and maintained is a critical investment in Hawai'i's keiki.

For the sake our keiki, our taxpayers, and our kuleana to our communities we humbly request that this committee pass SB 2548.

Mahalo for the opportunity to testify in **STRONG SUPPORT of SB 2548**.

SB-2548

Submitted on: 2/14/2026 12:41:34 AM

Testimony for EDU on 2/18/2026 1:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Johnnie-Mae L. Perry	Individual	Support	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry, Support

2548 SB RELATING TO SCHOOL FACILITIES.



UNITED PUBLIC WORKERS

AFSCME Local 646, AFL-CIO

THE SENATE
KA 'AHA KENEKOA

THE THIRTY-THIRD LEGISLATURE
REGULAR SESSION OF 2026

COMMITTEE ON EDUCATION
Senator Donna Mercado Kim, Chair
Senator Michelle N. Kidani, Vice Chair

Wednesday, February 18, 2026, 1:02 PM
Conference Room 229 & Videoconference

Re: Testimony on SB2548 – RELATING TO SCHOOL FACILITIES

Chair Kim, Vice Chair Kidani, 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 provides comments on SB2548, which requires the School Facilities Authority (“SFA”) to establish geographically based capital improvement project districts for the localized management of deferred maintenance. This bill also transfers all deferred maintenance functions, funds, and vacant facilities development branch positions from the Department of Education (“DOE”) to the SFA as intended and contemplated in Act 72, SLH 2020.

UPW appreciates the Legislature’s continued efforts to address the deferred maintenance of Hawaii’s public school facilities, but we are concerned that establishing separate geographically based project districts may unintentionally undermine the efficiency, accountability, and responsiveness this bill hopes to generate. Simply transferring these responsibilities and vacant positions from the DOE to the SFA are unlikely to significantly reduce the deferred maintenance backlog. It is more likely that without communication, coordination, and clearly defined authorities between DOE, SFA, and, in the case of neighbor island deferred maintenance projects, the Department of Accounting and General Services, this legislation could worsen delays.

Lastly, given that current SFA personnel is exempt from Chapter 76, Hawaii Revised Statutes (“HRS”), and SFA has requested additional exemptions in their testimony for this bill’s companion, HB2345, UPW is also concerned that the maintenance work, which had historically been performed by public workers, may be contracted out to the private sector. UPW members remain committed to properly managed and maintained educational facilities, but we do not believe this legislation is the appropriate path forward.

Mahalo for the opportunity to testify on this measure.

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