

ACT 204

H.B. NO. 329

A Bill for an Act Relating to the School Facilities Authority.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that the school facilities authority is entrusted with responsibilities relating to the development, planning, and construction of public school projects. The legislature further finds that the school facilities authority could carry out these responsibilities with greater efficiency if certain changes were made to statutes governing the authority.

Accordingly, the purpose of this Act is to:

- (1) Clarify that the school facilities authority is responsible for projects related to:
 - (A) Certain facilities for prekindergarten, preschool, child care, and early learning programs;
 - (B) Workforce housing; and
 - (C) Any public school development, planning, and construction assigned by the legislature, governor, or board of education;
- (2) Allow the school facilities authority to use the department of education for certain recruitment and hiring responsibilities;
- (3) Allow the school facilities authority to partner with public and private development agencies to develop prekindergarten, preschool, child care, and early learning program facilities; and
- (4) Appropriates funds for:
 - (A) A new middle school in central Maui; and
 - (B) A workforce housing project in Mililani.

SECTION 2. Section 302A-1703, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

“(a) Except as otherwise limited by this chapter, the authority shall be responsible for all [~~public school development, planning, and construction~~] projects related to [~~capital improvement projects~~];

- (1) New or renovated facilities for prekindergarten, preschool, child care, or early learning programs;
- (2) Workforce housing for educators and other education workers in schools serving prekindergarten, elementary, and secondary grades; and
- (3) Any public school development, planning, and construction assigned by the legislature, governor, or board of education.”

2. By amending subsection (c) to read:

- “(c) Except as otherwise limited by this chapter, the authority may also:
- (1) Have a seal and alter the same at its pleasure;
 - (2) Subject to subsection (b), make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this subpart;
 - (3) Make and alter bylaws for its organization and internal management;
 - (4) Adopt rules pursuant to chapter 91 with respect to its projects, operations, properties, and facilities, including qualifications for persons and entities wishing to enter into a public-private partnership with the authority, as permitted in paragraph (7);

- (5) Acquire or contract to acquire by grant or purchase real, personal, or mixed property or any interest therein; to clear, improve, and rehabilitate and to sell, assign, exchange, transfer, convey, lease, subdivide, or otherwise dispose of or encumber the same;
- (6) Acquire property by condemnation pursuant to chapter 101;
- (7) Enter into partnerships with qualified persons, including public-private partnerships, as defined in the authority's rules, to acquire, construct, reconstruct, rehabilitate, improve, alter, or provide for the construction, reconstruction, improvement, or alteration of any project, including prekindergarten facilities; and sell, assign, transfer, convey, exchange, lease, or otherwise dispose of or encumber any project; and in the case of the sale of any project, accept a purchase money mortgage in connection therewith;
- (8) Grant options to purchase any project or to renew any lease entered into by it in connection with any of its projects, on terms and conditions as it deems advisable;
- (9) Prepare or cause to be prepared plans, specifications, designs, and estimates of costs for the construction, reconstruction, rehabilitation, improvement, or alteration of any project, and from time to time to modify the plans, specifications, designs, or estimates;
- (10) Procure insurance against any loss in connection with its property and other assets and operations in amounts and from insurers as it deems desirable;
- (11) Apply for and accept gifts or grants in any form from any public agency or from any other source, including gifts or grants from private individuals and private entities;
- (12) Borrow money or procure loan guarantees from the federal government for or in aid of any project the authority is authorized to undertake pursuant to this chapter. Additionally, in connection with borrowing or procurement of loan guarantees, the authority:
 - (A) Shall comply with conditions required by the federal government pursuant to applicable regulation or required in any contract for federal assistance;
 - (B) Shall repay indebtedness incurred pursuant to this section, including any interest thereon;
 - (C) May execute loan and security agreements and related contracts with the federal government;
 - (D) May issue bonds pledging revenues, assessments, or other taxes as security for indebtedness incurred pursuant to this section; and
 - (E) May enter into financing agreements as that term is defined in section 37D-1;
- (13) Appoint or retain by contract one or more attorneys who are independent of the attorney general to provide legal services solely in cases of negotiations in which the attorney general lacks the sufficient expertise; provided that the independent attorney shall consult and work in conjunction with the designated deputy attorney general;
- (14) Use the department of human resources development or the department of education to recruit, hire, and retain exempt employees, architects, engineers, existing civil service positions, and other technical positions for the development, planning, and construction related to capital improvement projects;

- (15) Partner with public and private development agencies to develop:
 - (A) Housing on or off campus; ~~and~~
 - (B) Classrooms; ~~and~~
 - (C) Prekindergarten, preschool, child care, and early learning program facilities;
- (16) Request any state or county agency to render services to the authority;
- (17) Transfer the property to another public agency or contract to manage the leasing and property management of housing projects; and
- (18) Do any and all things necessary to carry out its purposes and exercise the powers given and granted in this subpart.”

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$2,000,000 or so much thereof as may be necessary for fiscal year 2025-2026 for the planning and construction of a new middle school in central Maui.

The sum appropriated shall be expended by the school facilities authority for the purposes of this Act.

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$2,000,000 or so much thereof as may be necessary for fiscal year 2025-2026 for the planning and construction of a workforce housing project in Mililani.

The sum appropriated shall be expended by the school facilities authority for the purposes of this Act.

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect on July 1, 2025.

(Approved June 24, 2025.)