



# **DEPARTMENT OF EDUCATION**

## **BRIEFING ON THE STATUS OF THE REPAIR & MAINTENANCE OF SCHOOLS**

May 28, 2008



# HISTORY

- Prior to 1965, the counties were responsible for school facilities.
- In 1965, Act 97 transferred responsibility for facilities to the state (DAGS).
- In 2005, Act 51 transferred responsibility for facilities to DOE.



# SIZE OF THE SCHOOL SYSTEM

- 261 schools
- Total Facilities: 4,880  
(including 3,872 buildings)
- Total Square Footage: 44.6 million
- Total Current Replacement Value: \$5 billion (does not include land value)



# AGE OF SCHOOLS

- 16% older than 100 yrs
- 20% 75 to 99 yrs old
- 18% 50 to 74 yrs old
- 34% 25 to 49 yrs old
- 8% 10 to 24 yrs old
- 3% less than 9 yrs old
- **More than half of our schools are over 50 yrs old**

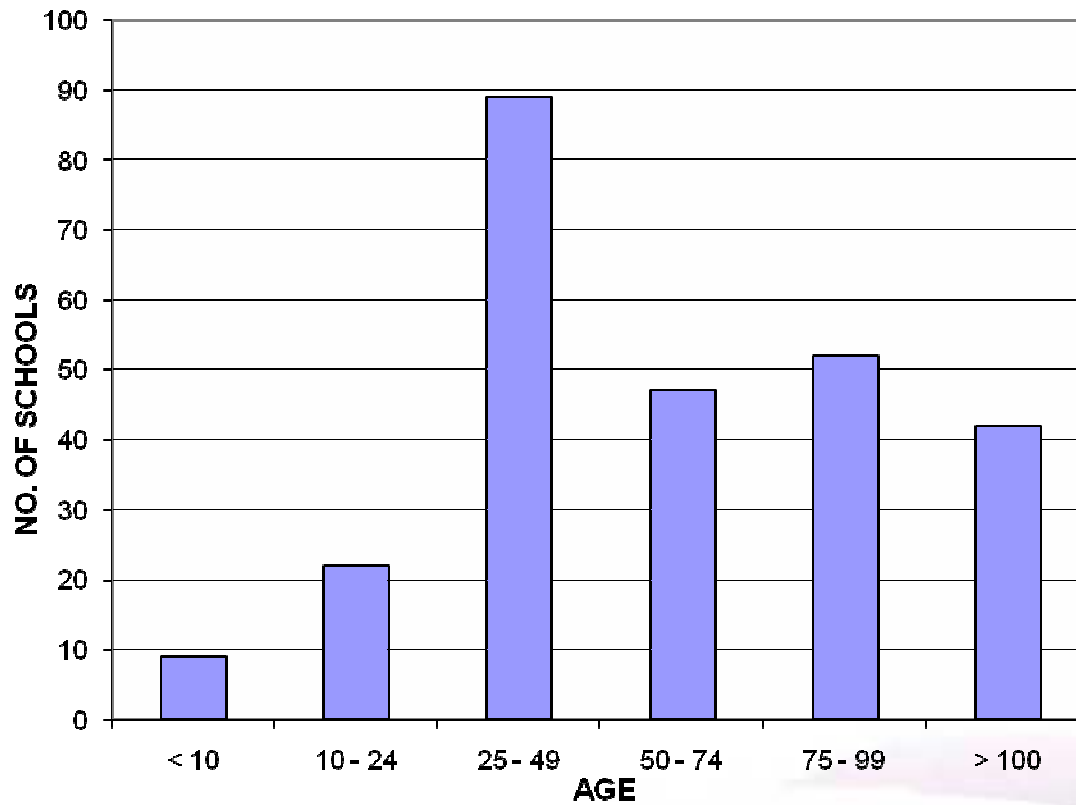


# GROWTH IN SCHOOLS

- Until 1959, growth in schools had been relatively steady.
- From 1959 to 1973, the number of schools dramatically increased.
- Since then the rate of increase has declined.



# AGE OF SCHOOLS



# IMPACT OF AGING FACILITIES

- The older the schools get, the more money is required to maintain the facilities.
- Upgrades get more difficult and expensive.
- Code and regulatory requirements increase.



- New School:
  - Kapolei High School, built in 2000 has a R&M backlog of \$122 thousand
- Older School:
  - Farrington High School, built In 1941, has a R&M backlog of \$6.9 million





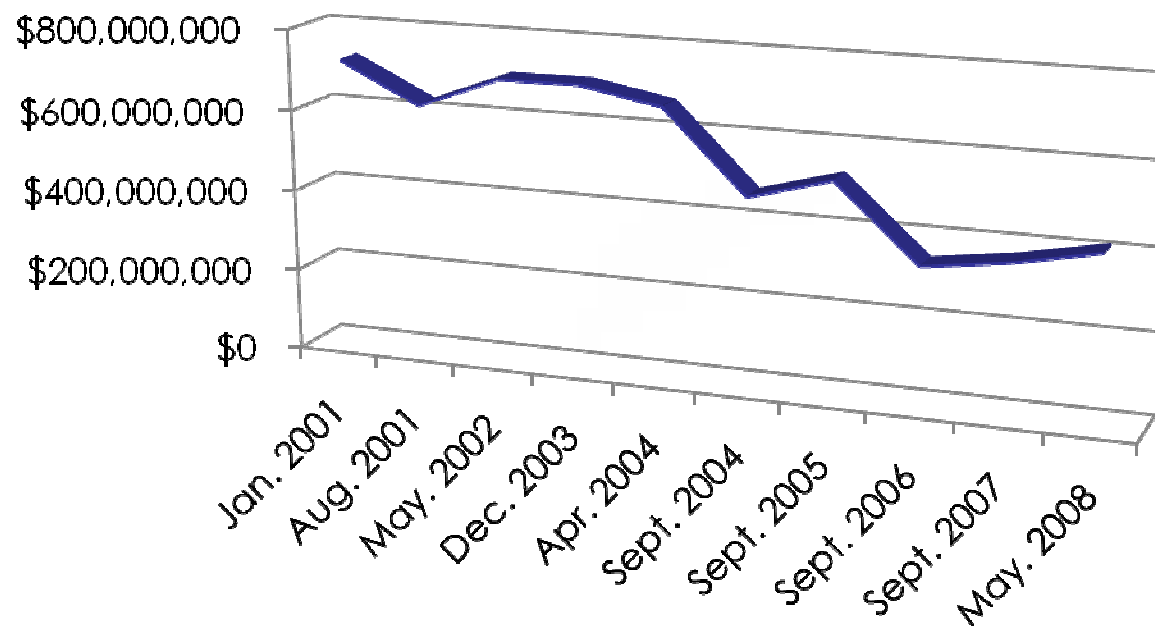
# FUNDING

- Since 2001, the Legislature appropriated \$770 million (of which \$630 million was released) to reduce the R&M backlog.

<u>year</u>	<u>appr.</u>	<u>allotted</u>
• 2001	\$150 m	\$150 m
• 2002	\$100 m	\$100 m
• 2003	\$ 35 m	\$ 35 m
• 2004	\$100 m	\$100 m
• 2005	\$ 75 m	\$ 75 m
• 2006	\$235 m	\$124 m
• 2007	\$ 75 m	\$ 46 m
• <b>TOTAL</b>	<b>\$770 m</b>	<b>\$630 m</b>
• 2008	\$ 66 m	?



# BACKLOG TREND



# BACKLOG TOTALS

Jan. 2001	\$720,000,000
Aug. 2001	\$623,000,000
May. 2002	\$701,000,000
Dec. 2003	\$703,000,000
Apr. 2004	\$666,000,000
Sept. 2004	\$468,000,000
Sept. 2005	\$525,000,000
Sept. 2006	\$341,000,000
Sept. 2007	\$370,000,000
May. 2008	\$412,000,000



# CURRENT FUNDING RESTRICTIONS

- In response to declining revenues, the Department of Budget and Finance has restricted the amount of funding released.
- These restrictions include a cap of \$304 million in 07-08 CIP funds and a reduction of \$140 million in cash, including previous appropriations.



## CASH RESTRICTIONS

- Classroom Renovations: funding reduced from \$160 million to \$49 million (fy06 funding)
- Repair and Maintenance: funding reduced from \$75 million to \$46 million (fy07 funding)

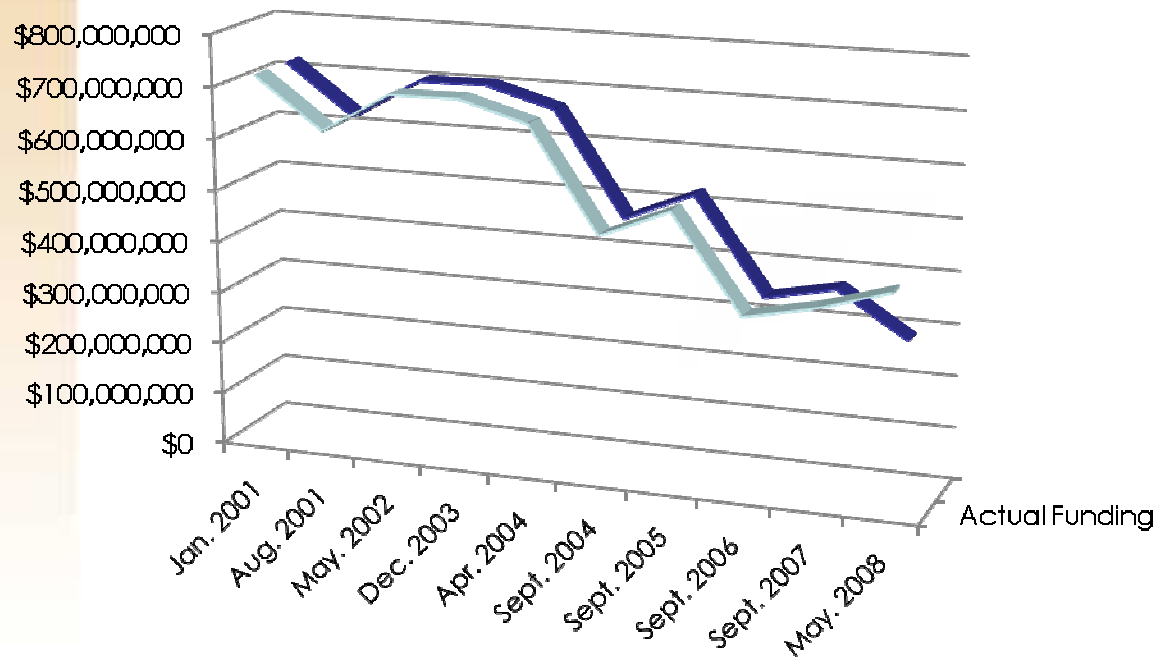


# TOTAL IMPACT OF RESTRICTIONS

- Classroom Renovations: total reduction - **\$111 million**
- Repair & Maintenance: total reduction - **\$29 million**
- TOTAL REDUCTION:
  - **\$140 MILLION**



# BACKLOG TREND-APPROPRIATED VS. ALLOTTED



Actual Funding  
Fully Funded



## FY09 FUNDING

- We will be meeting with B&F to determine how much can be released.
- Once that is done, we can finalize our priorities.
- This process has given us predictability in our funding.
- Biggest question is the health of the economy





# CLASSROOM RENOVATIONS

- Started in 2001
- Schools older than 25 yrs
- Includes painting, lighting, flooring, windows, doors, whiteboards.
- Also includes restoration of restrooms



## PREVIOUS PHASES

- Phase I: 40 schools
- Phase II: 56 schools
- Phase III: 14 schools
- Phase IV: 24 schools
- Phase V: 3 schools\*

**TOTAL 137 schools**

\* Most Phase V schools are included in Phase VI



# PHASE VI CLASSROOM RENOVATIONS

- Total of 96 schools
- As of May 16, 2008:
  - 16 schools under construction or completed
  - 17 schools with bids opened but not awarded
  - 2 schools out to bid
  - 57 schools ready to bid
  - 1 school deferred



## **BIDDING SCHEDULE**

- Based on new \$100 m appropriation.
- Scheduled to assure that all districts get their share of the work.
- Paced to not 'crowd' bidding climate.
- Bidding to continue until limit of funding is reached.



# CHALLENGES & INITIATIVES

- Roof Maintenance Contracts
- Design – Build Projects
- Rehabilitate Aging Schools



# ROOF MAINTENANCE CONTRACTS

- Reroofing, at \$74m, is the largest category in the backlog.
- Cost to reroof is staggering and recurring
- Pilot project to maintain roofs in three complexes to determine cost effectiveness



# ROOF MAINTENANCE PILOT PROJECT

- Includes 264 roofs in 22 schools
- Extends average life of roof from 12 years to 17 years
- Reduces est. reroofing costs from \$2.2m/yr to \$1.65m/yr
- In addition, \$750,000 in reroofing projects could be cancelled.



## **DESIGN – BUILD PROJECTS**

- Expanding use of Design-Build for major projects
- Analyze results to determine effectiveness (i.e. faster and/or cheaper)
- Lanai High 6 classroom building
- Kihei High School





# REHABILITATE AGING SCHOOLS

- Pilot at Farrington High School
- Determine 'gap' between current standards and existing conditions
- Develop Master Plan to improve facilities and get 'ahead of the curve'.



# QUESTIONS?



# STATUS REPORT

## PHASE VI WHOLE SCHOOL CLASSROOM RENOVATIONS

May 16, 2008

### **16 schools are either under construction or complete:**

Aikahi Elementary School

Pearl Harbor Kai Elementary School

Nanakuli High/Inter School

Waimea Inter/Elem School

Wilson Elementary School

Anuenue Elementary School

Kihei Elementary School

Honowai Elementary School

Kapalama Elementary School

Wheeler Intermediate School

Waiakeawaena Elementary School

Iliahi Elementary School

Makalapa Elementary School

Solomon Elementary School

Wahiawa Storefront School

Webling Elementary School

extent of current funding

### **17 schools with bids opened but not awarded**

Hookena Elementary School

Konawaena Elementary School

Fern Elementary School

Kalihi Uka Elementary School

Linapuni Elementary School

Puuhale Elementary School  
Ben Parker Elementary School  
Kaneohe Elementary School  
Lehua Elementary School  
Makakilo Elementary School  
Pearl City High School  
Lahaina Intermediate School  
Koloa Elementary School  
Kauluwela Elementary School  
Nuuanu Elementary School  
Royal Elementary School  
Likelike Elementary School

## **2 schools out to bid**

Campbell High School  
Kaimiloa Elementary School

## **58 schools ready to bid**

Leeward District

Momilani Elementary School  
Waiiau Elementary School  
Kanoelani Elementary School  
Waipahu Intermediate School  
Leihoku Elementary School  
Nanakuli Elementary School  
Mauka Lani Elementary School

## Central District

Shafter Elementary School  
Moanalua High School  
Moanalua Middle School  
Salt Lake Elementary School  
Millilani Uka Elementary School  
Millilani Waena Elementary School  
Kaala Elementary School  
Leilehua High School

## Honolulu District

Hahaione Elementary School  
Kaiser High School  
Kamiloiki Elementary School  
Kaimuki High School  
Lunalilo Elementary School  
HSDB  
Kaahumanu Elementary School  
Noelani Elementary School  
Liholiho Elementary School  
Waialae Elementary School  
Waikiki Elementary School  
Wailupe Valley Elementary School  
Farrington High School

## Windward District

Olomana School  
Pope Elementary School  
Kahuku Elementary School

Sunset Beach Elementary School  
Kahaluu Elementary School  
Waiahole Elementary School  
Kaelepulu Elementary School  
Lanikai Elementary School  
Ahuimanu Elementary School  
Kapunahala Elementary School  
Puohala Elementary School

#### Hawaii District

Honokaa Elementary School  
Kohala Middle School  
Laupahoehoe Elem/Inter School  
Haaheo Elementary School  
Hilo Union Elementary School  
Waiakea High School  
Kealakehe Elementary School  
Kealakehe Intermediate School  
Kahakai Elementary School  
Keaau Middle School  
Hilo Intermediate School

#### Maui District

Kaunakakai Elementary School  
Kualapuu Elementary School  
Maui High School  
Paia Elementary School  
Kalama Intermediate School

Kauai District

Eleele Elementary School

Hanalei Elementary School

Kilauea Elementary School

**2 Schools under design**

Puunene Elementary School

Linekona School

**1 School Deferred**

Keanae Elementary School (design deferred)





**PHASE VI WHOLE SCHOOL CLASSROOM RENOVATIONS  
TENTATIVE BIDDING SCHEDULE**

May 16, 2008

The following is the tentative bidding schedule for the remaining 60 schools in the project. The schedule took into account the amount of the new appropriation as well as the need to 'spread' the work throughout the system so that each district receives a proportionate share of the projects to be bid.

<b>District</b>	<b>School</b>	<b>Bid Date</b>
Leeward	Campbell High	June 10, 2008
Leeward	Kaimiloa Elementary	June 10, 2008
Windward	Olomana	June 20, 2008
Windward	Pope Elementary	June 20, 2008
Hawaii	Honokaa Elementary	June 30, 2008
Hawaii	Kohala Middle	June 30, 2008
Hawaii	Laupahoehoe Elem/Inter	June 30, 2008
Maui	Kaunakakai Elementary	July 10, 2008
Maui	Kualapuu Elementary	July 10, 2008
Leeward	Momilani Elementary	July 21, 2008
Leeward	Waiau Elementary	July 21, 2008
Kauai	Eleele Elementary	July 31, 2008
Central	Shafter Elementary	August 11, 2008
Central	Moanalua High	August 11, 2008
Central	Moanalua Middle	August 11, 2008
Central	Salt Lake Elementary	August 11, 2008
Honolulu	Hahaione Elementary	August 21, 2008
Honolulu	Kaiser High	August 21, 2008
Honolulu	Kamiloiki Elementary	August 21, 2008
Hawaii	Haaheo Elementary	September 1, 2008
Hawaii	Hilo Union Elementary	September 1, 2008
Windward	Kahuku Elementary	September 11, 2008
Windward	Sunset Beach Elementary	September 11, 2008
Maui	Maui High	September 22, 2008

<b>District</b>	<b>School</b>	<b>Bid Date</b>
Central	Mililani Uka Elementary	October 1, 2008
Central	Mililani Waena Elementary	October 1, 2008
Central	Kaala Elementary	October 1, 2008
Central	Leilehua High	October 1, 2008
Leeward	Kanoelani Elementary	October 14, 2008
Leeward	Waipahu Intermediate	October 14, 2008
Kauai	Hanalei Elementary	October 28, 2008
Kauai	Kilauea Elementary	October 28, 2008
Honolulu	Kaimuki High	November 10, 2008
Honolulu	Lunalilo Elementary	November 10, 2008
Honolulu	SCSHVI (HSDB)	November 10, 2008
Leeward	Leihoku Elementary	November 20, 2008
Leeward	Nanakuli Elementary	November 20, 2008
Windward	Kahaluu Elementary	December 1, 2008
Windward	Waiahole Elementary	December 1, 2008
Hawaii	Waiakea High	December 11, 2008
Leeward	Mauka Lani Elementary	December 22, 2008
Maui	Paia Elementary	January 12, 2009
Maui	Kalama Intermediate	January 12, 2009
Honolulu	Kaahumanu Elementary	January 22, 2009
Honolulu	Noelani Elementary	January 22, 2009
Windward	Kaelepulu Elementary	February 2, 2009
Windward	Lanikai Elementary (PCS)	February 2, 2009
Hawaii	Kealakehe Elementary	February 12, 2009
Hawaii	Kealakehe Intermediate	February 12, 2009
Hawaii	Kahakai Elementary	February 12, 2009
Honolulu	Liholiho Elementary	February 23, 2009
Honolulu	Waiialae Elementary (PCS)	February 23, 2009
Honolulu	Waikiki Elementary	February 23, 2009
Honolulu	Wailupe Valley Elementary	February 23, 2009

<b>District</b>	<b>School</b>	<b>Bid Date</b>
Windward	Ahuimanu Elementary	March 6, 2009
Windward	Kapunahala Elementary	March 6, 2009
Windward	Puohala Elementary	March 6, 2009
Hawaii	Keaau Middle	March 16, 2009
Hawaii	Hilo Intermediate	March 16, 2009
Honolulu	Farrington High	March 26, 2009

TESTIMONY BY GEORGINA K. KAWAMURA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE SENATE AND HOUSE COMMITTEES ON EDUCATION  
REGARDING THE DEPARTMENT OF EDUCATION'S REPAIR AND MAINTENANCE  
AND CLASSROOM RENOVATION CAPITAL IMPROVEMENT PROJECTS

May 28, 2008

The Department of Budget and Finance's (B&F) role in the Capital Improvement Project (CIP) allotment process for the Department of Education (DOE) is delineated in a Memorandum of Understanding that was initiated by provisions of Act 51, SLH 2004, the "Reinventing Education Act of 2004" and entered into by both departments on June 28, 2006. Under the Memorandum of Understanding, DOE and B&F agreed to the following:

1. Both departments will use the Board of Education (BOE) CIP Priority List as a basis for determining CIP priorities for allotments.
2. DOE will establish its priority list of CIP projects for each fiscal year, as approved by the BOE.
3. DOE can elect not to implement a project on the CIP priority list or request allotment of a project out of sequence for health or safety concerns. Also, both parties recognize that the Governor has the sole discretion to authorize the release of funding for a project. If funding for a project is not released, DOE may submit an additional request to replace it on the priority list.
4. Based on the priority list, DOE is required to submit a written annual allotment and expenditure plan to B&F for the upcoming fiscal year ten days prior to the meeting in #5 below.

5. Not less than 15 days prior to the beginning of each fiscal year, DOE and B&F will meet to discuss the total amount of funds that are anticipated to be available to DOE for CIP projects in the upcoming year and the procedures and schedule for the allotment of those funds.
6. As necessary, additional meetings can be called to address adjustments to the amount of funds available, modifications of procedures or schedules, and any other issue concerning CIP allotments that may be required.
7. DOE can rely on B&F estimates of CIP funds available in preparing allotment requests unless informed by B&F that amounts available will be lower due to less than anticipated tax revenues or any other funding source. Allotment and expenditure plans will then be amended accordingly.

This allotment process has been in effect for nearly two years and both departments agree that it is working well and is a vast improvement over the ad hoc process previously used. It must be emphasized that in the current process, B&F facilitates the allotment of DOE's CIP projects but does not become involved with the setting of priorities; this is done by DOE and the BOE.

In our meeting on June 13, 2007, with DOE regarding the FY 08 allotment of CIP projects, DOE was initially informed that due to declining revenues, at least \$110 million in general funded CIP from Act 246, SLH 2006, for classroom renovations, would not be made available for allotment (the total general funded appropriation for classroom renovations was \$160 million, of which \$40 million was allotted in FY 07). Ultimately, the decision was made to convert \$140 million in general funds to general obligation bond funds to save cash (\$120 million from Act 246 and \$20 million from Act 213, SLH 2007, for repair and maintenance). Therefore, a request for general obligation bonds for classroom renovations (\$120 million) and R&M (\$20 million conversion plus \$6,461,000 additional) was submitted.

House Bill No. 2500, H.D. 1, S.D. 1, C.D. 1, included \$66,461,000 for R&M and \$100 million for classroom renovations (funded with SEFI special funds).