

**Date:** 03/12/2008

**Committee:** Senate Education

**Department:** Education

**Person Testifying:** Patricia Hamamoto, Superintendent of Education

**Title of Bill:** HB 2972, HD1, HSCR909-08 RELATING TO EDUCATION.

**Purpose of Bill:** Creates the Facilities Alignment Commission to establish criteria for the selection of public schools to be constructed, expanded, consolidated, or closed; and recommend areas for new school construction, schools for expansion, consolidation, or closure. Requires the Board of Education to comply with these recommendations if the Legislature does not disapprove of them in their entirety. (HB2972 HD1)

**Department's Position:** The Department of Education does not support this bill. Chapter 8-38 of the Hawaii Administrative Rules ("Consolidation of Schools") provides a procedure for evaluating schools for possible consolidation or closure. The commission created by this bill would perform the same functions, making it duplicative of existing mechanisms and the planning responsibilities of the department.

The bill directs the Board of Education to expand existing schools and build new schools as recommended by the commission. However, providing new facilities will continue to be based on the funding priorities of the Legislature.

The bill requires the department to prepare a facilities plan for each school by August 31, 2008. Given the likelihood that this bill would not be enacted before July 1, 2008, there would be insufficient time to prepare such a plan.

The recommendations of the proposed commission would also duplicate the work required by the 2007 Legislature to implement Act 245. The Act

requires developers of residential housing to pay impact fees for schools in areas designated as impact fee districts. The new districts' boundaries will be determined based on the same type of analysis required of the facilities alignment commission. The analysis is scheduled to be completed this fall for Board review and action.

Finally, we do not support this appropriation bill at this time due to Hawaii's impending fiscal austerity and priority for the current Board of Education's budget requests.

Thank you for the opportunity to testify.

TESTIMONY BY GEORGINA K. KAWAMURA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE SENATE COMMITTEE ON EDUCATION  
ON  
HOUSE BILL NO. 2972, H.D. 1

March 12, 2008

RELATING TO EDUCATION

House Bill No. 2972, H.D. 1, creates a Facilities Alignment Commission to determine whether new schools should be built, or existing schools expanded, consolidated, or closed. The Commission is assigned to the Department of Education for administrative purposes only.

We support this bill.

The Department of Budget and Finance believes that an ongoing and realistic review of school facility needs is necessary and that it is very difficult to close a school. The Facilities Alignment Commission will provide a mechanism to determine where schools should be built, combined, or closed. This will allow the State to make more efficient use of our resources.



**The Chamber of  
Commerce of Hawaii**

*Since 1850*

**Testimony to the Senate Committee on Education  
Wednesday, March 12, 2008; 2:00 p.m.  
Conference Room 224**

**RE: HOUSE BILL NO. 2972, HD1 RELATING TO EDUCATION**

Chair Sakamoto, Vice Chair Tokuda, and Members of the Committee:

My name is Christine H. H. Camp, Chair of the Chamber of Commerce of Hawaii, Land Use and Transportation Committee. The Chamber of Commerce of Hawaii strongly supports H.B. No. 2972 HD 1 with our suggested amendments.

The Chamber is the largest business organization in Hawaii, representing over 1100 businesses. Approximately 80% of our members are small businesses with less than 20 employees. The organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

The Chamber of Commerce of Hawaii strongly supports H.B. No. 2972 HD 1 with our suggested amendments.

**H.B. No. 2972 HD 1**, creates the facilities alignment commission to revitalize school facilities by developing and submitting recommendations for areas for new school construction, schools for expansion, and schools for consolidation or closure. The bill allows the legislature to disapprove these recommendations only in their entirety. If no legislative disapproval occurs, requires the Board of Education to comply with these recommendations.

The purpose of the bill is to revitalize school facilities statewide and to more effectively and efficiently use our taxpayers' investment in public education. Specifically, this Act provides for the timely construction, expansion, consolidation, or closure of underused public schools in Hawaii through an objective and transparent process that:

1. Includes the establishment of a facilities alignment commission that shall:
  - a. Establish criteria for the selection of public schools to be constructed, expanded, consolidated, or closed; and
  - b. Recommend, based upon these criteria, a list of areas for new school construction, and of schools for expansion, consolidation, or closure, which is subject to the review of the legislature; and
2. Directs the board of education to proceed with the process of constructing, expanding, consolidating, or closing underused schools according to the recommendations of the facilities

The Chamber of Commerce of Hawaii Testimony on HB 2972 HD1  
Page 2

alignment commission, if the legislature does not disapprove of the recommendations in their entirety.

The DOE has stated that they have approximately the same number of students today (+/-175,000) as they did 30 years ago. The difference being the distribution of the student population has been dispersed across the state. This creates situations where existing assets (School sites) are underutilized and provides opportunities to reposition these real estate assets for future needs.

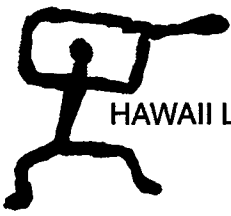
What is lacking in the current version of the bill is an option to allow for redevelopment of an underutilized school site for educational, income and/or mixed uses which will provide a funding source to the Department of Education.

The idea would be that the existing school lands are used to create a trust for the public schools. The lands are then managed as a trust, and create the ability to leverage underutilized land assets for redevelopment, joint venture, revenue production, and other opportunities similar to a real estate company.

Many of the older schools are located on "prime pieces" of real estate, especially in the existing urban core of Honolulu which is being planned for redevelopment with the proposed high capacity transit system. Leveraging the land value, the DOE maybe able to have a state of the art "magnet school" built with mixed uses for income purposes and other uses including teacher housing.

We support the intent of the bill with the amendment we are suggesting.

Thank you for this opportunity to express our views.



## HAWAII LEEWARD PLANNING CONFERENCE

P.O. BOX 2159 • KAMUELA, HAWAII 96743-2159

10 March 2008

In Consideration of  
House Bill No. 2972, HD1  
Relating to Education

Wednesday, 12 March 2008  
2:00 p.m. - Conference Room 225  
Senate Committee on Education

The Honorable Senator Norman Sakamoto, Chair  
The Honorable Senator Jill Tokuda, Vice-Chair  
and Honorable Members of the Committee on Education  
State Senate, Room 225  
Honolulu, Hawaii 96813

Dear Chair Sakamoto, Vice-Chair Tokuda, and Members:

I am Jacqui Hoover, President of the Hawaii Leeward Planning Conference (HLPC), a member-based organization incorporated in 1974 whose seventy-five plus members are committed to sound planning, wise use of our resources, and effective government process.

As Hawaii faces changing demographics, we find ourselves bearing witness to a decline in overall student population statewide. This is occurring while we are simultaneously attempting to respond to the demand for new schools in high growth areas, and questioning how to handle existing and underutilized school facilities.

HLPC supports the intent of HB No. 2972, HD1 and the creation of "a facilities alignment commission the facilities alignment commission to revitalize school facilities by developing and submitting recommendations for areas for new school construction, schools for expansion, and schools for consolidation or closure." The bill further "allows the legislature to disapprove these recommendations only in their entirety. If no legislative disapproval occurs, requires the Board of Education to comply with these recommendations."

HLPC is concerned however, that the bill in its present form, does not provide a funding source to the Department of Education to implement the commission's recommendations. We urge you to consider (including and not limited to) recommendations for funding such as leveraging land value, authorization and implementation of mixed use for facilities, and creation of a public schools land trust.

Thank you for this opportunity to express our views on this matter.

Respectfully submitted,

Jacqui L. Hoover, President  
Hawaii Leeward Planning Conference

AKINAKA & ASSOCIATES, LTD.  
ALSTON HUNT FLOYD & ING  
ARCHITECTS HAWAII, LIMITED  
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THE NELSON COMPANIES INCORPORATED  
NORTH HAWAII COMMUNITY HOSPITAL  
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# **BIA-HAWAII**

**BUILDING INDUSTRY ASSOCIATION**

Committee on Education Hearing

March 12, 2008

2:00 p.m.

Conference Room 225

Dear Chair Sakamoto and Members of the Committee on Education:

**Subject: H.B. No. 2972 HD 1 Relating to Education**

I am Karen Nakamura, Chief Executive Officer of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

**BIA-Hawaii supports H.B. No. 2972 HD 1 with our suggested amendments.**

**H.B. No. 2972 HD 1**, creates the facilities alignment commission to revitalize school facilities by developing and submitting recommendations for areas for new school construction, schools for expansion, and schools for consolidation or closure. The bill allows the legislature to disapprove these recommendations only in their entirety. If no legislative disapproval occurs, it requires the Board of Education to comply with these recommendations.

The purpose of the bill is to revitalize school facilities statewide and to more effectively and efficiently use our taxpayers' investment in public education. Specifically, this Act provides for the timely construction, expansion, consolidation, or closure of underused public schools in Hawaii through an objective and transparent process that:

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  - b. Recommend, based upon these criteria, a list of areas for new school construction, and of schools for expansion, consolidation, or closure, which is subject to the review of the legislature; and
2. Directs the board of education to proceed with the process of constructing, expanding, consolidating, or closing underused schools according to the recommendations of the facilities alignment commission, if the legislature does not disapprove of the recommendations in their entirety.

The DOE has stated that they have approximately the same number of students today (+/- 175,000) as they did 30 years ago. The difference being the distribution of the student population has been dispersed across the state. This creates situations where existing assets (School sites) are underutilized and provides opportunities to reposition these real estate assets for future needs.

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We support the intent of the bill with the amendment we are suggesting.

Thank you for this opportunity to express our views.

*Karen I. Nakamura*