

Date: 03/25/2010

Committee: House Finance

Department: Education

Person Testifying: Kathryn Matayoshi, Interim Superintendent of Education

Title of Bill: SB 2828, SD1, HD2 RELATING TO EDUCATION.

Purpose of Bill: Clarifies the law for determining school impact fees for financing new or expanding existing department of education schools or facilities. Takes effect upon approval. (HD2)

Department's Position: The Department of Education (DOE) supports SB2828 SD1 HD2 as it makes the school impact fee law more understandable, eliminates redundancies, and makes clear that all government housing projects within an adopted school impact district must participate. The HD2 is based on meetings with representatives of the development community.

Thank you for the opportunity to testify on this bill.



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March 25, 2010

House Committee on Finance
Hearing Date: Thursday, March 25, 2010 at 3:30 p.m. CR 308

Comments, Recommended Revisions & Support of SB 2828, SD1, HD2
Relating to Education
(Clarification to Act 245 (2007) School Impact Fee Law)

Honorable Chair Marcus Oshiro, Vice Chair Marilyn B. Lee, and Members of the House Committee on Finance,

My name is David Arakawa, and I am the Executive Director of the Land Use Research Foundation of Hawaii (LURF), a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. One of LURF's missions is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources and public health and safety.

LURF appreciates this opportunity to provide our comments and **support of SB 2828, SD1, HD2**, which clarifies the law for determining school impact fees for financing new or expanding existing Department of Education (DOE) schools or facilities. The comments of LURF are based on recent meetings between DOE, the introducer of this bill, Senator Sakamoto, and other stakeholders.

SB 2828 SD1, HD2. The purpose of this bill is to clarify the existing law for determining school impact fees for financing new or expanding DOE schools or facilities. This bill was proposed to provide clarifications to the laws relating to DOE Impact Fees, and it could also serve as a vehicle to address the concerns of other stakeholders such as Ho'okuleana LLC, the Chamber of Commerce of Hawaii, Hawaii Leeward Planning Conference (HLPC), the Kona Chamber of Commerce and LURF.

The House Water, Land and Ocean Resources Committee recently amended the bill to the **current HD2 version which includes changes supported by LURF** and other stakeholders including:

- (1) Providing that DOE is required to update the statewide level of services, instead of percentages of students enrolled at each school level in permanent or portable classrooms;

- (2) Clarifying that the initial school site area averages are based on historic schools construction data from 1997 to 2007;
- (3) Clarifying that the "student generation rate" for a school impact district is to be based on analysis of the existing number of residential units and public school students in an area, and the student generation rates of comparable projects and areas;
- (4) Clarifying that the provision requiring certain new residential developments to fulfill the land dedication or fee in lieu requirement and construction cost component impact fee requirement applies to government housing projects;
- (5) Regarding the impact fee analysis that is required of DOE upon designation of a school impact district:
 - (A) Removing the analysis of the percentages of existing statewide student enrollment at each school level that are located in permanent structures, as opposed to portable buildings;
 - (B) Reinstating the analysis of appropriate school land area and enrollment capacity, and including other appropriate state lands in the analysis; and
 - (C) Inserting a statewide classroom utilization report;
- (6) Changing the effective date to upon its approval; and
- (7) Making other technical, nonsubstantive amendments for style, clarity, and consistency.

Last session, DOE proposed SB 733, SD2, which reflects DOE's suggested revisions to Act 245 (2007) School Impact Fee Law. As you know, SB 733, SD2 is still pending in Finance Committee.

This measure, SB 2828, SD1, HD2 reflects the suggested revisions to Act 245 (2007) by LURF, HLPC, DOE and other stakeholders.

Over the past several months, LURF and some of the stakeholders have been meeting with DOE, and progress has been made in clarifying and/or resolving some issues. We look forward to continuing to work together with DOE, the other stakeholders and the Legislature toward resolving the remaining issues and implementation of the DOE Impact Fee law.

We respectfully request that this Committee to **pass SB 2828, SD1, HD2.**

Thank you for the opportunity to provide our **testimony in support of SB 2828, SD1, HD2.**