

Date: 02/14/2011

Committee: House Education

Department: Education

Person Testifying: Kathryn S. Matayoshi, Superintendent of Education

Title of Bill: HB 0344,HD1(hscr160) RELATING TO EDUCATION.

Purpose of Bill: Establishes school facilities alignment commission

Department's Position: The Department of Education appreciates the legislative frustration expressed in this bill with the slow pace of school consolidations. This bill would substitute the current process for consolidating schools with another process. However, there is no assurance the proposed school facilities alignment commission will find the task any easier, or its outcomes any better, than the current process.

A perhaps unintended probable consequence of this bill is that, if enacted, it would end DOE's current progress toward consolidating schools and would likely defer any further school consolidations until the end of School Year 2014-15.

With a new Board of Education on the verge of appointment, DOE recommends that this bill be held in committee.

BIA-HAWAII
BUILDING INDUSTRY ASSOCIATION

February 14, 2011

Representative Roy Takumi, Chair
COMMITTEE ON EDUCATION
State Capitol, Room 309
415 South King Street
Honolulu, Hawaii 96813

Dear Chair Takumi:

Subject: House Bill No. 344, HD1 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 strongly supports H.B. No. 344 HD1 which proposes to create 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 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.

It appears that the bill provides 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.

Thank you for this opportunity to express our views.

A handwritten signature in cursive script that reads "Karen I. Nakamura". The signature is written in black ink and is positioned above the typed name and title.

Chief Executive Officer
BIA-Hawaii