



EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

June 21, 2013

GOV. MSG. NO. 1258

The Honorable Donna Mercado Kim,
President
and Members of the Senate
Twenty-Seventh State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Joseph M. Souki,
Speaker and Members of the
House of Representatives
Twenty-Seventh State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kim, Speaker Souki, and Members of the Legislature:

This is to inform you that on June 21, 2013, the following bill was signed into law:

SB237 SD2 HD1 CD1

RELATING TO PUBLIC SCHOOL LANDS
ACT 155 (13)

Aloha
Sincerely,
Neil Abercrombie

NEIL ABERCROMBIE
Governor, State of Hawaii

A BILL FOR AN ACT

RELATING TO PUBLIC SCHOOL LANDS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that one of the major
2 educational dilemmas of our time is rooted in an existing system
3 that traps information-age students in agricultural-age schools.
4 While the flow of information and ideas is increasingly fluid,
5 students are confined to the physical structures and mindsets of
6 an earlier time and place. Building, repairing, and
7 retrofitting public schools to meet the challenges of the
8 twenty-first century and beyond will not be easy, and the costs
9 will be considerable. However, quality school infrastructure
10 facilitates an environment that will prepare children to achieve
11 and succeed in a highly competitive economy.

12 The infrastructure of the twenty-first century school must
13 be energy efficient and wired with the latest technology.
14 Classroom size must be flexible because the program, not the
15 space, should determine the number of students per class. The
16 school campus must be designed from its inception with student
17 achievement in mind to maximize available land and student
18 safety, and to offer the community multiple uses of existing



1 structures. Most of Hawaii's school campuses fall short in
2 these areas.

3 The legislature further finds that twenty-first century
4 schools are also those that include a full complement of the
5 people, programs, and places that support a wide range of
6 personal learning styles and instructional modalities. Schools
7 are often separated from personal and family service programs in
8 urban and rural communities. One way to address this situation
9 is to think about schools as the center of a community that can
10 support all aspects of living and learning. The creation of
11 school-centered communities will provide greater access to
12 centrally located physical, cultural, social, economic,
13 organizational, and educational programs and services that are
14 within walking distance of children and families.

15 The considerable amount of underused public school lands on
16 the State's two hundred fifty-four school campuses is an
17 untapped resource that would provide infrastructure that could
18 make classrooms, campuses, and communities suitable for the
19 twenty-first century. By way of illustration, a preliminary
20 review by a real estate expert indicates that ten parcels that
21 have unused lands are valued at \$120,000,000 under existing
22 surrounding uses. These lands could be developed solely for the



1 benefit of Hawaii's public school children. The beneficiaries
2 would be the children of Hawaii.

3 The purpose of this Act is to optimize the use of public
4 school lands to generate opportunities to improve public school
5 facilities and infrastructure to meet the challenges of the
6 twenty-first century and to improve the overall quality of
7 education in Hawaii. In particular, this Act establishes a
8 pilot program to generate revenue from uses for public purposes,
9 such as workforce housing, to build and retrofit twenty-first
10 century schools and create more school-centered communities.
11 The pilot program will lay important groundwork for a statewide
12 approach and plan to optimize public school lands and modernize
13 public school facilities. This Act also establishes the school
14 facilities subaccount within chapter 302A, Hawaii Revised
15 Statutes, into which shall be deposited all proceeds generated
16 from the lease of public school lands. Moneys in the school
17 facilities subaccount will be used to build or upgrade twenty-
18 first century school facilities.

19 SECTION 2. Chapter 302A, Hawaii Revised Statutes, is
20 amended by adding two new sections to be appropriately
21 designated and to read as follows:



1 "§302A-A Pilot program for lease of public school land.

2 (a) There shall be established within the department a pilot
3 program for the lease of public school land, including
4 facilities. The department, in consultation with the board of
5 education and any other appropriate agency, shall serve as the
6 facilitator of the pilot program.

7 (b) Notwithstanding sections 171-13 and 302A-1151, or any
8 other law to the contrary, the department may lease public
9 school land on terms it deems appropriate; provided that:

10 (1) The board may identify and select up to five public
11 school land sites as candidates for participation in
12 the pilot program; provided that:

13 (A) During the identification and selection process,
14 the board shall be subject to chapter 92, shall
15 hold at least one public meeting in each affected
16 community, and shall foster school and community
17 participation; and

18 (B) If the site is on land owned by the county, the
19 department shall consult with the county;

20 (2) The department may lease public school land for no
21 more than three public school land sites identified
22 and selected by the board pursuant to paragraph (1)



1 under leases for a term of not more than fifty-five
2 years per lease, unless extended pursuant to section
3 171-36, to lessees who shall be required to modify,
4 construct, or utilize facilities to meet public
5 purposes, including workforce rental housing units, in
6 accordance with specific request for proposal or
7 request for information guidelines; and

8 (3) Each lease shall stipulate that the lessee may retain
9 any revenue generated from the facilities; provided
10 that:

11 (A) The lessee shall be obligated to maintain and
12 operate the facilities for a public purpose for
13 the length of the lease;

14 (B) The lessee shall be obligated to pay to the
15 county all applicable property tax on the value
16 of any improvements;

17 (C) A leasehold premium may be charged to the lessee
18 for the right to use the public school land based
19 on a competitive bid process;

20 (D) Upon the expiration of the lease, the facilities
21 shall revert to the department; and



1 (E) All revenues and proceeds derived by the State
2 under this section shall be deposited in the
3 school facilities subaccount pursuant to section
4 302A-B.

5 (c) Any redevelopment involving nonschool purposes shall:

6 (1) Comply with county plans, ordinances, and zoning and
7 development codes; and

8 (2) Acquire all required government approvals and permits.

9 (d) Nothing in this section shall preclude the department
10 from working with and receiving assistance from any other
11 department or agency in carrying out the purposes of this
12 section.

13 (e) Any lease entered into by the department pursuant to
14 subsection (b) shall be fully executed no later than five years
15 from the effective date of this section.

16 §302A-B School facilities subaccount. (a) All proceeds
17 from the leases, permits, interest income generated from public
18 school lands, and other revenue generated from the non-permanent
19 disposition of public school lands, including facilities,
20 pursuant to section 302A-A shall be deposited into the school
21 facilities subaccount established pursuant to section
22 302A-1148 (b) .



1 (b) Except as otherwise provided, all moneys in the school
2 facilities subaccount shall be used exclusively for the new
3 construction and upgrade of twenty-first century school
4 facilities, as well as the repair and maintenance of existing
5 school facilities."

6 SECTION 3. Section 302A-1148, Hawaii Revised Statutes, is
7 amended to read as follows:

8 **"§302A-1148 Use of school facilities and grounds. (a)**
9 All public school buildings, facilities, and grounds shall be
10 available for general recreational purposes, and for public and
11 community use, whenever these activities do not interfere with
12 the normal and usual activities of the school and its pupils.
13 Any other law to the contrary notwithstanding, the department
14 shall adopt rules under chapter 91 as are deemed necessary to
15 carry out the purposes of this section and may issue licenses,
16 revocable permits, concessions, or rights of entry to school
17 buildings and grounds for such periods of use as deemed
18 appropriate by the department. All such dispositions, including
19 those in excess of fourteen days, need not be approved by the
20 board of land and natural resources; provided that approval by
21 the board of land and natural resources shall be required when
22 the dispositions are for periods in excess of a year. The

1 department may assess and collect fees and charges from the
2 users of school buildings, facilities, grounds, and equipment,
3 which include fees and charges assessed and collected by the
4 department for parking on roadways and in parking areas under
5 the jurisdiction of the department, pursuant to section
6 302A-1151.6. The fees and charges shall be deposited into a
7 separate fund and expended by the department under rules as may
8 be adopted by the board; provided that any parking fees assessed
9 and collected by a school shall be deposited to the credit of
10 that school's nonappropriated local school fund account.

11 (b) A separate subaccount of the fund established pursuant
12 to subsection (a), to be known as the school facilities
13 subaccount, shall be established for all proceeds from the
14 leases, permits, interest income generated from public school
15 lands, and other revenue generated from the non-permanent
16 disposition of public school lands, including facilities,
17 pursuant to section 302A-A. The subaccount shall be governed by
18 section 302A-B."

19 SECTION 4. The department of education shall submit a
20 report to the legislature no later than twenty days prior to the
21 convening of the regular session of 2014 and each regular
22 session thereafter until the completion of each project



1 authorized pursuant to this Act. The report shall provide the
2 following:

3 (1) A timeline for the pilot program pursuant to this Act,
4 including but not limited to:

5 (A) A timeline for the redevelopment of each selected
6 site;

7 (B) An estimate start and completion date for each
8 selected site; and

9 (C) Estimates for the time required to obtain any
10 necessary county or state approvals required to
11 complete the redevelopment of each site;

12 (2) A summary of the department of education's activities,
13 results, and recommendations to optimize the use of
14 public school lands as a means to build or renovate
15 twenty-first century schools and school-centered
16 communities;

17 (3) A summary of all school and community engagement
18 efforts undertaken or that will be undertaken by the
19 department of education in carrying out the pilot
20 program pursuant to this Act;

21 (4) A summary of the department of education's current and
22 projected budgeted expenses, including the



1 identification of any contracts with third parties and
2 the creation of temporary positions within the
3 department in carrying out the pilot program pursuant
4 to this Act;

5 (5) A summary of any capacity and funding issues or
6 challenges the department of education has encountered
7 in carrying out the pilot project pursuant to this
8 Act; and

9 (6) Any proposed legislation.

10 SECTION 5. There is appropriated out of the general
11 revenues of the State of Hawaii the sum of \$100,000 or so much
12 thereof as may be necessary for fiscal year 2013-2014 and the
13 same sum or so much thereof as may be necessary for fiscal year
14 2014-2015 for the public school lands pilot program established
15 pursuant to section 2 of this Act.

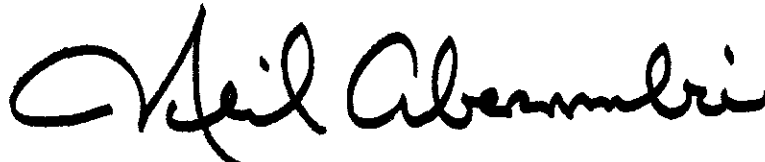
16 The sums appropriated shall be expended by the department
17 of education for the purposes of this Act.

18 SECTION 6. In codifying the new sections added by section
19 2 of this Act, the revisor of statutes shall substitute
20 appropriate section numbers for the letters used in designating
21 the new sections in this Act.

1 SECTION 7. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 8. This Act shall take effect on July 1, 2013.

APPROVED this 21 day of JUN, 2013

A handwritten signature in black ink, reading "Neil Abernethy". The signature is written in a cursive style with a large initial "N".

GOVERNOR OF THE STATE OF HAWAII