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# 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-seven 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 three-year pilot project to generate revenue from uses for  
9 public purposes, such as workforce housing, to build and  
10 retrofit twenty-first century schools and create more school-  
11 centered communities. The pilot project will lay important  
12 groundwork for a statewide approach and plan to optimize public  
13 school lands and modernize public school facilities. This Act  
14 also establishes the school facilities special fund within  
15 chapter 302A, Hawaii Revised Statutes, into which shall be  
16 deposited all proceeds generated from the lease of public school  
17 lands. Moneys in the school facilities special fund will be  
18 used to build or upgrade twenty-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 lands under the  
2 control of the department. (a) There shall be established,  
3 within the office of the lieutenant governor, a pilot program  
4 for the lease of lands and facilities under the authority of the  
5 department of education. The lieutenant governor, in  
6 consultation with the department of education, the board of  
7 education, and any other appropriate agency, shall serve as the  
8 facilitator of the pilot program.

9           (b) Notwithstanding sections 171-13 and 302A-1151, or any  
10 other law to the contrary, the department, as directed by the  
11 lieutenant governor, may lease public school land on terms it  
12 deems appropriate; provided that:

13           (1) The department may lease public school land for not  
14 more than a total of two existing sites under leases  
15 for a term of not more than fifty-five years per lease  
16 to lessees who shall be required to modify, construct,  
17 or utilize facilities to meet public purposes,  
18 including but not limited to workforce rental housing  
19 units, in accordance with specific request for  
20 proposal or request for information guidelines; and

21           (2) Each lease stipulates that the lessee may retain any  
22 revenue generated from the facilities; provided that:



- 1           (A) The lessee shall be obligated to maintain and  
2           operate the facilities for a public purpose for  
3           the length of the lease;
- 4           (B) The lessee shall be subject to payment to the  
5           county of all applicable property tax on the  
6           value of any improvements;
- 7           (C) A leasehold premium may be charged to the lessee  
8           for the right to use the land based on a  
9           competitive bid process;
- 10          (D) Upon the expiration of the lease, the facilities  
11          shall revert to the department; and
- 12          (E) All revenues and proceeds derived under this  
13          section shall be deposited in the school  
14          facilities special fund established under section  
15          302A-B.

16          §302A-B School facilities special fund. (a) There is  
17          established a school facilities special fund into which shall be  
18          deposited all proceeds from the leases, permits, interest income  
19          generated from public school lands, and other revenue generated  
20          from the non-permanent disposition of public school lands under  
21          section 302A-A.



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

7        SECTION 3. Section 171C-17, Hawaii Revised Statutes, is  
 8 amended by amending subsection (a) to read as follows:

9        "(a) There is established the Hawaii public land  
 10 development revolving fund, to which shall be credited any state  
 11 appropriations to the fund, any sums collected as a result of  
 12 bonds issued pursuant to this chapter, any revenues generated  
 13 from the facilities, except as provided in [sections] section  
 14 171C-17.5 [and 171C-21], or other moneys made available to the  
 15 fund, to be expended as directed by the corporation."

16        SECTION 4. Section 171C-21, Hawaii Revised Statutes, is  
 17 repealed.

18        [~~§171C-21 School facilities special fund. (a) There~~  
 19 ~~is established a school facilities special fund into which shall~~  
 20 ~~be deposited all proceeds from leases, permits, interest income~~  
 21 ~~generated from public school lands and facilities, and other~~  
 22 ~~revenue generated from the non-permanent disposition of public~~



1 ~~school lands and facilities under this chapter, less the~~  
2 ~~following:~~

3       ~~(1) The principal and interest on bonds issued pursuant to~~  
4           ~~this chapter for projects on public school lands or~~  
5           ~~utilizing public school facilities;~~

6       ~~(2) The cost of administering, operating, and maintaining~~  
7           ~~projects on public school lands or utilizing public~~  
8           ~~school facilities, not to exceed fifteen per cent of~~  
9           ~~the sums collected, net of principal and interest~~  
10          ~~payments on bonds; and~~

11       ~~(3) Other sums that may be necessary for the issuance of~~  
12          ~~bonds under this chapter.~~

13       ~~(b) The school facilities special fund shall be~~  
14 ~~administered by the department of education in consultation with~~  
15 ~~the board of education. Except as otherwise provided, all~~  
16 ~~moneys in the school facilities special fund shall be used~~  
17 ~~exclusively for the new construction and upgrade of twenty-first~~  
18 ~~century school facilities, and the retrofit and upgrade of~~  
19 ~~existing school facilities to meet twenty-first century school~~  
20 ~~standards." ]~~

21       SECTION 5. The lieutenant governor shall submit a report  
22 to the legislature no later than twenty days prior to the



1 convening of the regular sessions of 2014 through 2016. In the  
2 lieutenant governor's report to the legislature, the lieutenant  
3 governor may provide the following:

- 4 (1) A timeline for the pilot project pursuant to this Act;
- 5 (2) A summary of the lieutenant governor's and the  
6 department's activities, results, and recommendations  
7 to optimize the use of public school lands as a means  
8 to build or renovate twenty-first century schools and  
9 school-centered communities; and
- 10 (3) Any recommendations for statutory amendments.

11 SECTION 6. There is appropriated out of the general  
12 revenues of the State of Hawaii the sum of \$                    or so  
13 much thereof as may be necessary for fiscal year 2013-2014 and  
14 the same sum or so much thereof as may be necessary for fiscal  
15 year 2014-2015 for the public school lands pilot program.

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

18 SECTION 7. All moneys in the school facilities special  
19 fund established pursuant to section 171C-21, Hawaii Revised  
20 Statutes, as of the effective date of this Act, shall be  
21 transferred to the school facilities special fund established  
22 pursuant to section 2 of this Act.





1 SECTION 8. In codifying the new sections added by section  
2 2 of this Act, the revisor of statutes shall substitute  
3 appropriate section numbers for the letters used in designating  
4 the new sections in this Act.

5 SECTION 9. Statutory material to be repealed is bracketed  
6 and stricken. New statutory material is underscored.

7 SECTION 10. This Act shall take effect upon its approval;  
8 provided that section 6 of this Act shall take effect on July 1,  
9 2013; provided further that section 302A-A, Hawaii Revised  
10 Statutes, established by section 2 of this Act, shall be  
11 repealed on June 30, 2016.

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INTRODUCED BY:

*B. Stale*

*Cirly Evans*

JAN 18 2013



# H.B. NO. 278

**Report Title:**

Education; Public School Lands; Leases; Appropriation

**Description:**

Establishes a three-year pilot program to generate revenue for the use of public school land. Specifies that the lieutenant governor, in consultation with the department of education, board of education, and other appropriate agencies, shall be the facilitator of the pilot program. Authorizes the lease of certain public school lands for public purposes, including but not limited to the development of workforce housing rental units, under specified conditions. Establishes the school facilities special fund within chapter 302A, HRS. Repeals the schools facilities special fund in chapter 171C, HRS. Requires the lieutenant governor to submit a report to the legislature. Makes an appropriation for the pilot program. Pilot program repeals 6/30/2016.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

