

Honolulu, Hawaii

February 28, 2013

RE: H.B. No. 865

H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committees on Water & Land, Education, and Finance, to which was referred H.B. No. 865 entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC SCHOOL REDEVELOPMENT,"

beg leave to report as follows:

The purpose of this measure is to facilitate the redevelopment of public school lands to generate income to improve public school facilities.

Specifically, this measure:

- (1) Authorizes the Hawaii Community Development Authority to redevelop public school lands and facilities that are identified and authorized by the Department of Education for redevelopment;
- (2) Establishes guidance policies for school redevelopment projects that emphasize modernization, energy efficiency, technological integration, efficient land use, and community involvement;
- (3) Directs the proceeds from the use or redevelopment of public school lands to be deposited into the Public Land Development Corporation's school facilities special fund; and



- (4) Makes an unspecified appropriation to the Hawaii Community Development Authority for the purposes of the measure.

Testimony in support of this measure was submitted by the Governor, Hawaii Community Development Authority, Pacific Resource Partnership, Land Use Research Foundation of Hawaii, Hui for Excellence in Education, and one concerned individual. Testimony in opposition to this measure was submitted by Advocates for Consumer Rights, KAHEA: The Hawaiian-Environmental Alliance, Americans for Democratic Action, and eighteen concerned individuals. Comments on this measure were submitted by the Department of Education, Hawaii State Public Library System, The Chamber of Commerce of Hawaii, Control Point Surveying, Inc., and Faith Action for Community Equity.

Your Committees find that Hawaii's public school facilities are aging and falling short of the demands of providing the infrastructure that facilitates a learning environment that today's students need to compete in a competitive global economy. The Department of Education is limited in the amount of funds that it has available for school modernization and construction, and considering the backlog of school repair and maintenance projects, it is highly unlikely that the Department will be able to keep up with the growing need for school redevelopment. Your Committees further find that public-private partnerships offer an opportunity to fund the modernization of school facilities in a manner that increases educational opportunities for public school students. Your Committees recognize that an innovative approach to facilitate the improved use of public school lands, support community-driven redevelopment, and upgrade school facilities is necessary to meet students' changing educational needs.

However, your Committees believe that the Department of Education is the appropriate entity to implement these "twenty-first century school projects" to modernize and redevelop public school facilities. Accordingly, your Committees have amended this measure by:

- (1) Deleting the provisions that designate the Hawaii Community Development Authority as the lead agency for redeveloping public school lands and facilities;
- (2) Deleting the provisions that channel revenues to the Public Land Development Corporation's school facilities special fund;



- (3) Establishing the Department of Education as the authority responsible for redeveloping public school lands and facilities;
- (4) Authorizing the Board of Education to contract with any government agency or private entity to redevelop school facilities, subject to the state procurement code;
- (5) Specifying that if the Hawaii Community Development Authority is contracted to redevelop public school facilities, the redevelopment project shall not be subject to the exemptions that are otherwise allowed to the Authority under section 206E-7, Hawaii Revised Statutes;
- (6) Requiring the Department of Education to identify sites and establish criteria, specifications, and standards for twenty-first century school projects;
- (7) Requiring the Board of Education to approve, approve with modification, or deny proposals to develop or redevelop public school lands and facilities;
- (8) Designating all public school lands in the State as a public school redevelopment district and authorizing any public school lands within the district to be identified for redevelopment as a twenty-first century school project;
- (9) Limiting the allowable number of twenty-first century school projects to an aggregate total of five;
- (10) Directing the Department of Education to adopt administrative rules for the public school redevelopment district that include a community engagement process;
- (11) Establishing the twenty-first century schools revolving fund to be administered by the Department of Education, and into which shall be deposited the proceeds from the use or redevelopment of public school lands;
- (12) Making an unspecified appropriation to the Department of Education for the purposes of this measure;



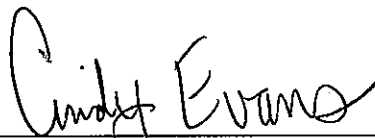
- (13) Changing the effective date to July 1, 2112, to encourage further discussion on this matter; and
- (14) Making technical nonsubstantive amendments for the purposes of clarity, conformity, and style.

As affirmed by the records of votes of the members of your Committees on Water & Land, Education, and Finance that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 865, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 865, H.D. 1, and be placed on the calendar for Third Reading.

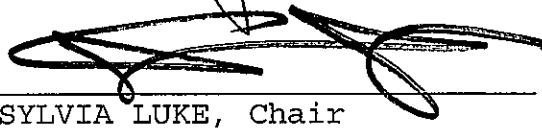
Respectfully submitted on behalf of the members of the Committees on Water & Land and Education and Finance,



ROY M. TAKUMI, Chair



CINDY EVANS, Chair



SYLVIA LUKE, Chair



