



STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 03/28/2019
Time: 03:00 PM
Location: 308
Committee: House Finance

Department: Education

Person Testifying: Dr. Christina M. Kishimoto, Superintendent of Education

Title of Bill: SB 1303, SD2, HD1 RELATING TO PUBLIC LANDS.

Purpose of Bill: Part I: Allows the Department of Education to lease public school lands for a term of not more than an unspecified number of years per lease. Specifies that title to those portions of Department of Education lands on which public libraries are located are held by the public library system. Part II: Amends Act 206, Session Laws of Hawaii 2017, to allow the City and County of Honolulu to transfer lands under existing Department of Education facilities directly to the Department of Education, rather than through the Department of Land and Natural Resources. (SB1303 HD1)

Department's Position:

The Department of Education (Department) supports SB 1303, SD2, HD1. Through Act 155, Session Laws of Hawaii (SLH) 2013, the Department was directed to develop underutilized assets to help facilitate twenty-first century school improvements. With the passage of Act 206, SLH 2017 and Act 210, SLH 2018, the fee for specified public school properties is to be transferred to the state and Department, respectively.

The Department recognizes the value of an extended lease term for project financing and the efficiency of conveying public school lands to the Department for direct authority over property development. This bill seeks to amend these Acts to better accommodate both. The Department believes these changes will ensure more timely results and greater potential for development.

Thank you for the opportunity to provide testimony on this measure.

The Hawaii State Department of Education seeks to advance the goals of the Strategic Plan which is focused on student success, staff success, and successful systems of support. This is achieved through targeted work around three impact strategies: school design, student voice, and teacher collaboration. Detailed information is available at www.hawaiipublicschools.org.



SB1303 SD2 HD1
RELATING TO PUBLIC LANDS
House Committee on Finance

March 28, 2019

3:00 p.m.

Room 308

The Office of Hawaiian Affairs (OHA) **OPPOSES** provisions of Part 1 of SB1303 SD2 HD1 that may inadvertently result in leases that inhibit the state's fiduciary obligations under the public trust and the Public Land Trust, and that may facilitate the alienation of "ceded" lands to which Native Hawaiians maintain unrelinquished claims.

Part 1, SECTIONS 1 and 3 of this measure, which currently allows lease terms of indeterminate length for public and potentially "ceded" and Public Land Trust lands under the Act 155 (Reg. Sess. 2013) pilot program, had originally proposed to extend the maximum lease length term for such lands from 55 years to 99 years. While OHA appreciates the general intent to support our public school system, **OHA cannot support a proposal that may authorize such long-term, multi-generational leases of public and potentially "ceded" lands, and respectfully requests the Committees to delete Part 1, SECTIONS 1 and 3, as an unnecessary and unjustified expansion of authority.**

Act 155, now codified in Haw. Rev. Stat. (HRS) §302A-1151.1, created a **pilot program** to allow the Department of Education (DOE), in consultation with the Board of Education (BOE), to encumber and lease three public school land sites for up to 55 years, to generate funds for "21st century" schools. The DOE has since used Act 155's pilot program to successfully lobby last year's legislature to have the City and County of Honolulu transfer title to the DOE certain county lands on which DOE schools are located, and to also exclude all lands to which DOE holds title from the definition of public lands in HRS §171-2. Notably, this latter exclusion removed many of the safeguards in HRS Chapter 171, such as appraisal, public auction, and lease term requirements, that otherwise help to ensure the appropriate management and disposition of public lands. See Act 210, Session Laws Hawai'i 2018. The original and subsequent version of the instant measure, SB1303 and SB1303 SD1, sought to further amend Act 155's pilot program to dramatically increase the Act's maximum allowable lease period from 55 years to 99 years. Although the SD2 and HD1 versions blank out the 99 year maximum lease length, OHA believes that any increase to the maximum lease length are unwarranted.

OHA reiterates its general opposition to long-term, multi-generational leases for public lands, which may include Public Land Trust lands as well as "ceded" lands taken through the unlawful overthrow of the Hawaiian Kingdom, and to which Native

Hawaiians maintain unrelinquished claims. Such long-term leases, including the 99 year leases previously proposed by the previous draft of this measure, may inhibit multiple future generations from ensuring the best and most appropriate use of public lands and Public Land Trust lands; the lack of transparency and accountability mechanisms included under HRS Chapter 171 for all DOE lands exacerbates such concerns. In addition, extremely long leases of public lands by private entities may inadvertently create a sense of entitlement on the part of lessees that has led and may continue to lead to the alienation of public lands, including “ceded” lands. **OHA objects to the sale or alienation of “ceded” lands except in limited circumstances, and has significant concerns over any proposal that may facilitate the diminution of the “ceded” lands corpus.**

For the foregoing reasons, OHA urges the Committee to **HOLD** this SB1303 SD2 HD1, or alternatively, **REMOVE** Part I, SECTIONS 1 and 3.

Mahalo nui for the opportunity to testify on this measure

SB-1303-HD-1

Submitted on: 3/26/2019 2:05:33 PM

Testimony for FIN on 3/28/2019 3:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Vernon Hinsvark	Individual	Oppose	No

Comments:

Please do not pass this Bill. If we need more money for schools do the right thing. We have wasted billions of dollars and we need more money. Raise property taxes on nonresident owners of residential property. Man (and woman) Up. Try to imagine communities with no open space. You can do it if you try (really hard). You would not want to grow up in that space. I am sure. Save something of Hawaii.
Mahalo

SB-1303-HD-1

Submitted on: 3/26/2019 3:19:39 PM

Testimony for FIN on 3/28/2019 3:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Shannon Rudolph	Individual	Support	No

Comments:

This bill is a TERRIBLE IDEA! Please vote NO! 99 yr. leases are 'privatising the commons'; a dispicable idea.
I am a 35 year Hawai'i resident.



LATE

**TESTIMONY TO THE HOUSE COMMITTEE ON FINANCE
State Capitol, Conference Room 308
415 South Beretania Street
3:00 PM**

March 28, 2019

RE: SENATE BILL NO. 1303 SD 2, HD 1, RELATING TO PUBLIC LANDS

Chair Luke, Vice Chair Cullen, and members of the committee:

My name is Gladys Quinto Marrone, CEO 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. Our members build the communities we all call home.

BIA-Hawaii is in **strong support** of S.B. 1303 SD2, which proposes to amend prior legislation. The bill proposes the following:

- Part I: Allows the Department of Education (DOE) to lease public school lands for a term of not more than ninety-nine years per lease.
- Part II: Amends Act 206, Session Laws of Hawaii 2017, to allow the City and County of Honolulu to transfer lands under existing DOE facilities directly to the DOE, rather than to the Department of Land and Natural Resources.

We understand that the purpose of Act 155 was to optimize the use of public school lands to generate opportunities to improve public school facilities and infrastructure to meet the challenges of the twenty-first century, and to improve the overall quality of education in Hawaii. In particular, Act 155 established a pilot program to generate revenue from uses for public purposes, such as workforce housing, to build and retrofit twenty-first century schools, and create more school-centered communities. The pilot program laid important groundwork for a statewide approach and plan to optimize public school lands and modernize public school facilities.

This bill addresses some of the challenges the DOE faces in attempting to redevelop its school facilities. One of the major challenges was the ownership of the land under the DOE facilities. Act 206 addressed this by allowing DOE to own lands in-fee. As a landowner, we understand that DOE has been working with the Hawaii Housing Finance and Development Corporation (HHFDC) to assist in the redevelopment of the DOE facilities. DOE's success in the implementation of Act 155 will provide opportunities increase the supply of housing on existing urban lands throughout the state.

We are in strong support of S.B. 1303 SD2, and appreciate the opportunity provide comments.



**Testimony to the House Committee on Finance
Thursday, March 28, 2019 at 2:00 P.M.
Conference Room 308, State Capitol**

LATE

RE: SENATE BILL 1303 SD2 HD1 RELATING TO PUBLIC LANDS

Chair Luke, Vice Chair Cullen and Members of the Committee:

The Chamber of Commerce Hawaii (“The Chamber”) supports SB 1303 SD 2 HD 1, which proposes to amend prior legislation. The bill proposes the following:

- Part I: Allows the department of education to lease public school lands for a term of not more than ninety-nine years per lease.
- Part II: Amends Act 206, Session Laws of Hawaii 2017, to allow the city and county of Honolulu to transfer lands under existing department of education (DOE) facilities directly to the department of education, rather than to the department of land and natural resources.

The Chamber is Hawaii’s leading statewide business advocacy organization, representing 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the “Voice of Business” in Hawaii, the organization works on behalf of members and the entire business community to improve the state’s economic climate and to foster positive action on issues of common concern.

We understand that the purpose of Act 155 was to optimize the use of public school lands to generate opportunities to improve public school facilities and infrastructure to meet the challenges of the twenty-first century and to improve the overall quality of education in Hawaii. In particular, Act 155 established a pilot program to generate revenue from uses for public purposes, such as workforce housing, to build and retrofit twenty-first century schools, and create more school-centered communities. The pilot program laid important groundwork for a statewide approach and plan to optimize public school lands and modernize public school facilities.

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DOE's success in the implementation of Act 155 will provide opportunities increase the supply of housing on existing urban lands throughout the state.

Thank you for the opportunity to testify.