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Vice President

Logan Okita
Secretary-Treasurer

Wilbert Holck
Executive Director



TESTIMONY BEFORE THE SENATE COMMITTEE ON
WAYS AND MEANS

RE: SCR 56 - REQUESTING THE DEPARTMENT OF EDUCATION TO CONVENE A SCHOOL IMPACT FEE REVIEW TASK FORCE TO REVIEW THE SCHOOL IMPACT FEES LAW, INCLUDING ENFORCEMENT OF EXISTING LAW, AND MAKE ANY RECOMMENDATIONS TO ADDRESS CURRENT AND FUTURE NEEDS FOR THE DEVELOPMENT OF NEW SCHOOLS TO ACCOMMODATE PROJECTED POPULATION GROWTH.

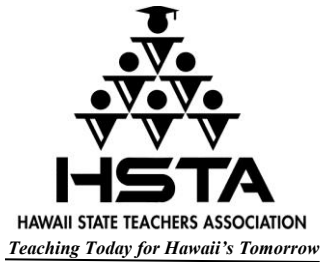
MONDAY, APRIL 1, 2019

COREY ROSENLEE, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

Chair Dela Cruz, and Members of the Committee:

The Hawaii State Teachers Association **supports SCR 56**, requesting the Department of Education to convene a school impact fee review task force to review the school impact fees law, including enforcement of existing law, and make sure any recommendations to address current and future needs for the development of new schools to accommodate projected population growth.

Our state's public school buildings are approximately 66-years-old on average. Facilities are damaged, restrooms and water foundations are in disrepair, classroom windows are broken, and campuses are plagued by rat and insect infestations. Our students, especially those with special needs, are subjected to dilapidated infrastructure, and overcrowded campuses, such as those at Campbell High School. Though the population has expanded in Ewa Beach tremendously over the last 30 years, there is still only one high school in Ewa Beach. Our state's repair and maintenance backlog is huge and the total cost of lingering projects runs into the hundreds of millions of dollars. Maintenance and capacity problems are particularly painful for developing communities, like the 'Ewa Plain, which will welcome 28,000 more buildings by the year 2021, and Kaka'ako, in which 39,000 new multi-family units are projected to be built within an approximately half-mile radius of rail transit stations, per the Honolulu Community Development Authority. The state will need more funding, that much is clear.



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Expanding Impact Fees areas, and expanding these fees to nonresidential properties is vital for the support of our public school facilities. Some may argue that nonresidential development should not have to chip in for public schools, but quite the contrary is shown from research by the Development, Planning, and Financial Group, Inc., along with the Brookings Institute, that both indicate that new business growth actually contributes to the pace and scale of development. New businesses are used to incentivize the sale of neighboring residential units, from which they directly benefit creating jobs and thus contributing to the need for more public schools. Nonresidential development also takes a toll on the state's infrastructure in Hawai'i, and public schools are directly impacted. Other areas across the U.S., such as Newark, successfully impose impact fees on nonresidential development along with residential development for the above reasons. We need to expand the areas affected by impact fees as well.

In 2018, the Hawai'i Board of Education established the Kalihi-Ala Moana School Impact Fee District. Developers of residential units in the urban core will now have to pay \$3,864 when applying for new building permits, helping to offset the cost of educating the children of families living in the estimated 39,000 new dwelling units needed for urban Honolulu in coming years. **Nonresidential developments should not be exempt and should also contribute. Impact fees should also be expanded to other areas as currently impact fees are not imposed state-wide.**

A quality education is priceless and an investment in a strong economy in Hawai'i, we cannot continue to underfund our schools and it is everyone's kuleana. To explore how the expansion of impact fees, and the current enforcement of these fees are collected, in order to provide our children with quality school facilities, the Hawaii State Teachers Association asks that your committee to **support SCR 56.**