



**STATE OF HAWAII
DEPARTMENT OF EDUCATION**

P.O. BOX 2360
HONOLULU, HAWAII 96804

OFFICE OF THE SUPERINTENDENT

December 17, 2021

The Honorable Ronald D. Kouchi, President
and Members of the Senate
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki, Speaker
and Members of the House of Representatives
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the annual report, Pilot Project for Lease of Public School Lands, pursuant to Act 155, Session Laws of Hawaii 2013. In accordance with Section 93-16, Hawaii Revised Statutes, I am also informing you that the report may be viewed electronically at: <http://www.hawaiipublicschools.org/VisionForSuccess/SchoolDataAndReports/StateReports/Pages/Legislative-reports.aspx>.

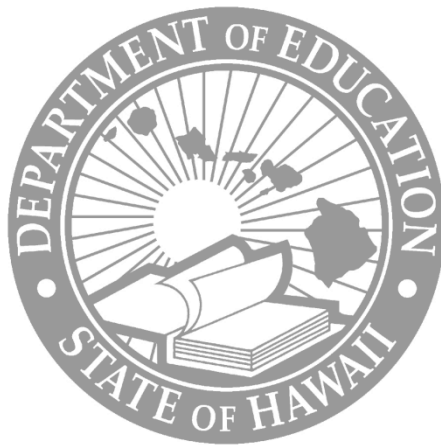
Sincerely,

A handwritten signature in blue ink, appearing to read "Keith T. Hayashi".

Keith T. Hayashi
Interim Superintendent

KTH:ri
Enclosure

c: Legislative Reference Bureau
Hawaii State Public Library System
University of Hawaii
Office of Facilities and Operations



State of Hawaii
Department of Education

Annual Report on Pilot Project for Lease of Public School Lands

December 2021

Act 155, Session Laws of Hawaii 2013, requires the Hawaii State Department of Education (Department) to annually report on the Public School Land Pilot Program, also referred to as the 21st Century Schools Program, which allows the Department to explore generating revenue to assist in managing public school properties. The Department will report on its activities to optimize the use of public school lands, provide timelines, community engagement actions, financial information, and legislation.

Annual Report on Pilot Project for Lease of Public School Lands

Project Timeline

Act 155, Session Laws of Hawaii (SLH) 2013, requires the Hawaii State Department of Education (Department) to evaluate its underutilized assets to enhance the educational benefit to students statewide.

Since the enactment of Act 155, SLH 2013, the Department has been working with the Hawaii Housing Finance Development Corporation (HHFDC) to establish a process that will allow HHFDC to assist the Department in the redevelopment of its facilities using existing HHFDC staff and procedures. HHFDC staff would be used in the following ways:

1. To evaluate prospective project sites;
2. In collaboration with a demographer, to project student enrollments along the transit corridor; and
3. To develop a process specific to public-private projects.

The Department has also engaged the School Facilities Agency (SFA) to consider opportunities to redevelop underutilized school sites to maximize their full potential.

2020 Actions

Since March 2020, the COVID-19 pandemic has frustrated the Department's ability to collaborate with its partners in evaluating and further developing the Act 155 program. The Department's efforts have been focused on the system-wide response to COVID-19 for the 257 Department schools; 37 public charter schools; 175,000 students; and over 22,000 employees.

On September 15, 2020, Senate Bill 3103 became law as Act 72, SLH 2020. Under this act, the SFA was created to assume the responsibility for public school development, planning, and construction related to capital improvement projects assigned by the Hawaii State Legislature (Legislature), Governor, or Board of Education. Management and execution of the 21st Century Schools Program will be transferred to the SFA. As of the date of this report, the program is still under Department management while the SFA works to become fully operational.

2021 Actions

During its 2018 legislative session, the Legislature provided the Department with the authority to acquire land in fee simple. The premise behind Act 210, SLH 2018 was to grant the Department the flexibility to capitalize on the redevelopment and repositioning of its assets. This would provide the Department with opportunities for a potential revenue stream that would allow it to better provide 21st Century public education.

Under its new authority, the Department spent a good portion of 2021 working toward establishing its real estate portfolio:

- With an appropriation from the Legislature, the Department purchased a 1.127-acre parcel adjacent to Waimea Elementary School on the Island of Hawaii.

- By friendly condemnation, the Department also acquired a 0.987-acre portion of Mililani Mauka Community Park from the City and County of Honolulu for purposes of school expansion and obtaining remnant tracks of land along the perimeter of Mililani High School.
- In collaboration with the Department of Land and Natural Resources, the Department also acquired exclusive fee simple interests at:
 - 3633 Waialae Avenue (former Liliuokalani Elementary School, now home to the Department's Office of Facilities and Operations (OFO));
 - 475 22nd Avenue (home to the Office of Curriculum and Instructional Design and Office of Student Support Services); and
 - 4087 Diamond Head Road (which serves as a base yard for the Department's Facilities Maintenance Branch).

The Department's 1106 Koko Head Avenue property is currently occupied by the Department's School Food Services Branch. OFO is currently evaluating redevelopment opportunities for this site along with other locations where state and complex-level offices are situated.

The Department is currently in early negotiations to acquire parcels adjacent to existing school sites in Leeward Oahu, Central Maui, and South Kona for school expansion.

The partnership between OFO, SFA, and HHFDC has developed nicely throughout 2021. There have been productive discussions on joint opportunities in the development of new and innovative schools and related facilities such as teacher housing. Timelines and budgets for individual projects have not yet been established. Meanwhile, engagement with the general public in the impacted communities is not scheduled to occur until conceptual plans have been developed.

The Department is not proposing any legislative proposals for the upcoming legislative session regarding school land lease development.