



**STATE OF HAWAII
DEPARTMENT OF EDUCATION
KA 'OIHANA HO'ONA'AUAO
P.O. BOX 2360
HONOLULU, HAWAII 96804**

OFFICE OF THE SUPERINTENDENT

December 22, 2022

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 that reads "Keith T. Hayashi".

Keith T. Hayashi
Superintendent

KTH:ri
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 2022

Act 155, Session Laws of Hawaii (SLH) 2013, requires the Hawaii State Department of Education (Department) to annually report on the Public School Land Pilot 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.

On September 15, 2020, Senate Bill 3103 became law as Act 72, SLH 2020. Under this Act, the School Facilities Agency (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.

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Project Timeline

Act 155, Session Laws of Hawaii (Act 155) 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, the Department has been working with the Hawaii Housing Finance and 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:

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.

2022 Actions

Act 155 is codified as Hawaii Revised Statute §302A-1151.1, Pilot program for lease of public school land. Under this statute, the SFA has exclusive authority over the management and execution of the pilot program. Some of the core functions of the SFA include:

1. Acquisition of land;
2. Lease acquired lands for purposes of revenue generation;
3. Explore new revenue source from the redevelopment of underutilized school facilities; and
4. Development and new construction of 21st Century Schools.

Although this program is statutorily assigned to the SFA, the Department continues to acquire, maintain, and operate candidate properties acquired to date. In 2022, the Department acquired a one acre property in Waianae for the expansion of Kamaile Academy, a conversion charter school, and is currently working to acquire the following:

- 5.2 acre property for the expansion of Ke Kula O Ehunuikaimalino;
- .192 acre parcel for purposes of school expansion at Iao School;
- Ten-acre lease from the Agribusiness Development Corporation for state educational program;
- Several properties statewide for the Alternative Learning Program; and
- 11.12 acres in Manoa to consolidate and streamline Department operations.

The Department will continue to maintain this program until such time as the SFA is ready and able to assume complete responsibility of its functions.

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