



GOV. MSG. NO. 1275

EXECUTIVE CHAMBERS  
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA

July 3, 2023

The Honorable Ronald D. Kouchi  
President of the Senate,  
and Members of the Senate  
Thirty-Second State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

✓ The Honorable Scott K. Saiki  
Speaker, and Members of the  
House of Representatives  
Thirty-Second State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

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

This is to inform you that on July 3, 2023, the following bill was signed into law:

SB941 SD2 HD1 CD1

RELATING TO THE SCHOOL FACILITIES  
AUTHORITY.  
**ACT 172**

Sincerely,

*Josh Green M.D.*

Josh Green, M.D.  
Governor, State of Hawai'i

on JUL 3 2023

THE SENATE  
THIRTY-SECOND LEGISLATURE, 2023  
STATE OF HAWAII

S.B. NO. 941  
S.D. 2  
H.D. 1  
C.D. 1

A BILL FOR AN ACT

RELATING TO THE SCHOOL FACILITIES AUTHORITY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Hawaii continues to  
2 suffer from a shortage of licensed teachers as Hawaii's teacher  
3 salaries continue to trail the nation when adjusted for cost of  
4 living. Providing financial incentives and affordable options  
5 for teacher housing are key strategies for teacher recruitment  
6 and retention. Teacher housing is also a well-established tool  
7 for teacher recruitment and retention of educators serving in  
8 hard-to-fill areas. As housing represents a significant portion  
9 of each teacher's paycheck, the legislature recognizes that  
10 sites should be developed to provide affordable housing options  
11 to teachers to address the ongoing teacher shortage.

12 Accordingly, the purpose of this Act is to:

- 13 (1) Provide the school facilities authority with powers  
14 necessary to develop housing projects on school lands;  
15 and
- 16 (2) Appropriate funds, out of the school facilities  
17 special fund for the construction of housing



1 prioritized for teachers, educators, and staff and  
2 classrooms.

3 SECTION 2. Section 302A-1703, Hawaii Revised Statutes, is  
4 amended by amending subsection (c) to read as follows:

5 "(c) Except as otherwise limited by this chapter, the  
6 authority may also:

- 7 (1) Have a seal and alter the same at its pleasure;
- 8 (2) Subject to subsection (b), make and execute contracts  
9 and all other instruments necessary or convenient for  
10 the exercise of its powers and functions under this  
11 subpart;
- 12 (3) Make and alter bylaws for its organization and  
13 internal management;
- 14 (4) Adopt rules pursuant to chapter 91 with respect to its  
15 projects, operations, properties, and facilities,  
16 including qualifications for persons and entities  
17 wishing to enter into a public-private partnership  
18 with the authority, as permitted in paragraph (7);
- 19 (5) Acquire or contract to acquire by grant or purchase  
20 real, personal, or mixed property or any interest  
21 therein; to clear, improve, and rehabilitate and to



- 1 sell, assign, exchange, transfer, convey, lease,  
2 subdivide, or otherwise dispose of or encumber the  
3 same;
- 4 (6) Acquire property by condemnation pursuant to chapter  
5 101;
- 6 (7) Enter into partnerships with qualified persons,  
7 including public-private partnerships, as defined in  
8 the authority's rules, to acquire, construct,  
9 reconstruct, rehabilitate, improve, alter, or provide  
10 for the construction, reconstruction, improvement, or  
11 alteration of any project; and sell, assign, transfer,  
12 convey, exchange, lease, or otherwise dispose of or  
13 encumber any project; and in the case of the sale of  
14 any project, accept a purchase money mortgage in  
15 connection therewith;
- 16 (8) Grant options to purchase any project or to renew any  
17 lease entered into by it in connection with any of its  
18 projects, on terms and conditions as it deems  
19 advisable;
- 20 (9) Prepare or cause to be prepared plans, specifications,  
21 designs, and estimates of costs for the construction,



1 reconstruction, rehabilitation, improvement, or  
2 alteration of any project, and from time to time to  
3 modify the plans, specifications, designs, or  
4 estimates;

5 (10) Procure insurance against any loss in connection with  
6 its property and other assets and operations in  
7 amounts and from insurers as it deems desirable;

8 (11) Apply for and accept gifts or grants in any form from  
9 any public agency or from any other source, including  
10 gifts or grants from private individuals and private  
11 entities;

12 (12) Borrow money or procure loan guarantees from the  
13 federal government for or in aid of any project the  
14 authority is authorized to undertake pursuant to this  
15 chapter. Additionally, in connection with borrowing  
16 or procurement of loan guarantees, the authority:

17 (A) Shall comply with conditions required by the  
18 federal government pursuant to applicable  
19 regulation or required in any contract for  
20 federal assistance;



1 (B) Shall repay indebtedness incurred pursuant to  
2 this section, including any interest thereon;

3 (C) May execute loan and security agreements and  
4 related contracts with the federal government;

5 (D) May issue bonds pledging revenues, assessments,  
6 or other taxes as security for indebtedness  
7 incurred pursuant to this section; and

8 (E) May enter into financing agreements as that term  
9 is defined in section 37D-1;

10 (13) Appoint or retain by contract one or more attorneys  
11 who are independent of the attorney general to provide  
12 legal services solely in cases of negotiations in  
13 which the attorney general lacks the sufficient  
14 expertise; provided that the independent attorney  
15 shall consult and work in conjunction with the  
16 designated deputy attorney general;

17 (14) Use the department of human resources development to  
18 recruit, hire, and retain exempt employees,  
19 architects, engineers, existing civil service  
20 positions, and other technical positions for the



1 development, planning, and construction related to  
2 capital improvement projects; [and]

3 (15) Partner with public and private development agencies  
4 to develop:

5 (A) Housing on or off campus; and

6 (B) Classrooms;

7 (16) Request any state or county agency to render services  
8 to the authority;

9 (17) Transfer the property to another public agency or  
10 contract to manage the leasing and property management  
11 of housing projects; and

12 [~~(15)~~] (18) Do any and all things necessary to carry out its  
13 purposes and exercise the powers given and granted in  
14 this subpart."

15 SECTION 3. With the approval of the governor, designated  
16 expending agencies for capital improvement projects authorized  
17 in this Act may delegate to other state or county agencies the  
18 authority to implement projects when it is determined  
19 advantageous to do so by both the original expending agency and  
20 the agency to which expending authority is to be delegated.



1 SECTION 4. The general fund appropriation for the school  
2 facilities authority for fiscal year 2023-2024 for teacher  
3 housing in H.B. No. 300, H.D. 1, S.D. 1, C.D. 1 (2023), shall be  
4 deposited into the school facilities special fund.

5 SECTION 5. There is appropriated out of the school  
6 facilities special fund the sum of \$170,000,000 or so much  
7 thereof as may be necessary for fiscal year 2023-2024 and the  
8 same sum or so much thereof as may be necessary for fiscal year  
9 2024-2025 for:

- 10 (1) The construction of housing prioritized for teachers,  
11 educators, and staff; and
- 12 (2) Personnel and other related expenses as deemed  
13 appropriate.

14 The sums appropriated shall be expended by the school  
15 facilities authority for the purposes of this Act.

16 SECTION 6. Housing developed pursuant to section 5 of this  
17 Act shall be prioritized for teachers, educators, and staff.  
18 The school facilities authority may adopt rules pursuant to  
19 chapter 91, Hawaii Revised Statutes, with respect to leasing  
20 housing developed by the school facilities authority.

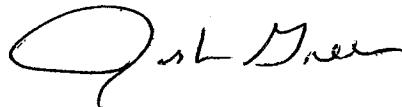




1 SECTION 7. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3 SECTION 8. This Act shall take effect on July 1, 2023.

APPROVED this 3rd day of July, 2023




GOVERNOR OF THE STATE OF HAWAII




**THE SENATE OF THE STATE OF HAWAI'I**

Date: MAY 04 2023  
Honolulu, Hawai'i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirty-Second Legislature of the State of Hawai'i, Regular Session of 2023.

  
President of the Senate

  
Clerk of the Senate

SB No. 941, SD 2, HD 1, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: **MAY 04 2023**  
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Second Legislature of the State of Hawaii, Regular Session of 2023.



Scott K. Saiki  
Speaker  
House of Representatives



Brian L. Takeshita  
Chief Clerk  
House of Representatives