

School Facilities Authority Testimony:
Senate Ways and Means Committee
01/13/23

Overview:

1. The School Facilities Authority (“SFA”) has statutory authority over new schools and new school facility construction, public-private partnerships (“P3”), and school redevelopment work. As a newly established Authority with an independent governing board (“Board”), the SFA, in conjunction with their Board, is creating the strategic vision, plan, and objectives.
2. As a new State authority, the SFA is currently focused on standing itself up as an independent authority. Additionally, the SFA is working with our State partners to fulfill the statutory obligations as noted in Act 248 and Act 257, 2022.

Federal Funds:

1. The SFA does not receive any Federal funds.

Non-General Funds:

1. The SFA does not have any non-general funds at this time.

Budget Requests:

1. The SFA internally discussed the most pressing capacity needs for the Authority based on the statutory responsibilities given to it through Hawaii Revised Statutes (“HRS”) 302A-1700. The budget recommendations were then put before the Board for discussion and approval. The budget was approved by the Board and submitted to Budget and Finance.
2. The SFA is not requesting additional general funds in this Executive Budget request. The SFA is requesting an internal shift of funding to cover the costs of the requested 3 FTEs.

SCHOOL FACILITIES AUTHORITY

— 2023 WAM-EDU BUDGET PRESENTATION —
BIENNIUM FY24-25

Who we are

- The School Facilities Authority (SFA) was established in 2020 by Act 72 (2020) and further defined by Act 217 (2021).
- The SFA's statutory responsibilities are for public school development, planning, and construction related to capital improvement projects assigned by the legislature, governor, or board of education. (HRS302A-1703)
 - Projects include major renovations, new school facilities, and public-private partnerships (HRS302A-1701)
- The SFA has its own independent board of directors made up of five voting members who head and oversee the authority.
 - Current Chair of the board is Alan Oshima

SFA Staffing

- SFA currently has four appropriated FTE positions in FY23
 - Executive Director - Chad “Keone” Farias
 - Administrative Services Officer - Scott Fuji
 - Business Manager - Cindy Watarida
- SFA is in active recruitment for the fourth position
 - Seeking a project manager to assist with ongoing and future projects

SFA Executive Budget Requests

- Authority Capacity Building
 - 3 permanent Full-Time Equivalents (FTEs) for capacity building within the SFA to perform the statutorily directed work
 - If approved, positions will include a project manager, planner, and management analyst
 - No additional funding requested for these positions
- Capital Improvement Projects (CIP)
 - FY24: \$750,000 for statewide capacity projects
 - FY25: \$5,250,000 for statewide capacity projects

Mahalo for your time and consideration

School Facilities Authority

Executive Director - Chad "Keone"
Farias - chad.farias@k12.hi.us

Administrative Services Officer -
Scott Fuji - scott.fuji@k12.hi.us

<u>Division</u>	<u>Description of Function</u>	<u>Activities</u>	<u>Prog ID(s)</u>	<u>Dept-Wide Priority</u>	<u>Statutory Reference</u>
N/A	Under provisions of Act 72, SLH 2020, School Facilities Authority, as amended by Act 217, SLH 2021, the School Facilities Authority Board is responsible for one program, the School Facilities Authority ("SFA" or the "Authority"). The SFA is attached to the Hawaii State Department of Education (DOE) for administrative purposes only.	Pursuant to HRS §302A-1701-1707, the School Facilities Authority is charged with all school development, planning, and construction related to capital improvement projects assigned by the Governor, the Legislature, or the Board of Education.	EDN 450	1	HRS §302A-1701 to §302A-1707

Fiscal Year 2023						
	Budget Acts Appropriation	Restrictions	Additions	Emergency Appropriations	Total FY23	MOF
	\$ 1,300,001.00				\$ 1,300,001.00	A
					\$ -	
					\$ -	
					\$ -	
					\$ -	
					\$ -	
	\$ 1,300,001.00	\$ -	\$ -	\$ -	\$ 1,300,001.00	Total
Fiscal Year 2024						
	Budget Acts Appropriation	Reductions	Additions		Total FY24	MOF
	\$ 1,300,001.00				\$ 1,300,001.00	A
					\$ -	
					\$ -	
					\$ -	
					\$ -	
					\$ -	
	\$ 1,300,001.00	\$ -	\$ -	\$ -	\$ 1,300,001.00	Total
Fiscal Year 2025						
	Appropriation	Reductions	Additions		Total FY25	MOF
	\$ 1,300,001.00				\$ 1,300,001.00	A
					\$ -	
					\$ -	
					\$ -	
					\$ -	
					\$ -	
	\$ 1,300,001.00	\$ -	\$ -	\$ -	\$ 1,300,001.00	Total

Prog ID	Program Title	MOF	As budgeted (FY23)			Governor's Submittal (FY24)				Governor's Submittal (FY25)			
			Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Percent Change of \$\$\$\$	Pos (P)	Pos (T)	\$\$\$	Percent Change of \$\$\$\$
EDN450	School Facilities Authority	A	4.00	-	\$ 1,300,001	7	0	1,300,001	0	7	0	1,300,001	0

Prog ID	Sub-Org	Description of Request	MOF	Initial Department Requests						Budget and Finance Recommendations						Governor's Decision					
				FY24			FY25			FY24			FY25			FY24			FY25		
				Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$
EDN450	OS	Addition of 3 permanent FTE positions	A	3.00	-	\$ -	\$ 3	\$ -	\$ -	3	0	0	3	0	0	3	0	0	3	0	0

<u>Prog ID</u>	<u>Sub-Org</u>	<u>Description of Reduction</u>	<u>Impact of Reduction</u>	<u>MOF</u>	<u>FY24</u>			<u>FY25</u>			<u>FY23 Restriction (Y/N)</u>
					<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$</u>	
EDN450	OS	No reductions to budget	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

<u>Prog ID</u>	<u>Sub-Org</u>	<u>Addition Type</u>	<u>Prog ID Priority</u>	<u>Dept-Wide Priority</u>	<u>Description of Addition</u>	<u>Justification</u>	<u>FY24</u>			<u>FY25</u>			
							<u>MOF</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$</u>
EDN450	OS	FTE	1	1	Addition of 3 permanent FTE positions	The SFA continues to strategically expand operations to meet its statutory obligations for new school construction and school redevelopment. In order to continue performing this work, the SFA has identified three additional positions with expertise pertinent to on-going and future operations.	A	3	0	0	3	0	0

<u>Fiscal Year</u>	<u>Prog ID</u>	<u>Sub-Org</u>	<u>MOF</u>	<u>Budgeted by Dept</u>	<u>Restriction</u>	<u>Difference Between Budgeted & Restricted</u>	<u>Percent Difference</u>	<u>Impact</u>
FY23	EDN450		A	1,300,001	\$ -	\$ -	0.00%	

<u>Prog ID</u>	<u>Description of Request</u>	<u>Explanation of Request</u>	<u>MOF</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$</u>
EDN450	NONE	NONE	N/A	N/A	N/A	N/A

<u>Prog ID</u>	<u>MOF</u>	<u>Date</u>	<u>Appropriation</u>	<u>Amount Exceeding Appropriation</u>	<u>Percent Exceeded</u>	<u>Reason for Exceeding Ceiling</u>	<u>Legal Authority</u>	<u>Recurring (Y/N)</u>	<u>GF Impact (Y/N)</u>
EDN450	A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

<u>Actual or Anticipated Date of Transfer</u>	<u>MOF</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$</u>	<u>From Prog ID</u>	<u>Percent of Program ID Appropriation Transferred From</u>	<u>To Prog ID</u>	<u>Percent of Receiving Program ID Appropriation</u>	<u>Reason for Transfer</u>	<u>Recurring (Y/N)</u>
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

<u>Prog ID</u>	<u>Sub-Org</u>	<u>Date of Vacancy</u>	<u>Expected Fill Date</u>	<u>Position Number</u>	<u>Position Title</u>	<u>Exempt (Y/N)</u>	<u>SR Level</u>	<u>BU Code</u>	<u>Perm Temp (P/T)</u>	<u>FTE</u>	<u>MOF</u>	<u>Budgeted Amount</u>	<u>Actual Salary Last Paid</u>	<u>Authority to Hire (Y/N)</u>	<u>Occupied by 89 Day Hire (Y/N)</u>	<u># of 89 Hire Appts</u>	<u>Describe if Filled by other Means</u>	<u>Priority # to Retain</u>
EDN450		7/1/2022	3/1/2023		Project Manager	N	26	13	P	1.00	A	\$ 101,460	n/a	Y	N	0	N/A	1

<u>Prog ID</u>	<u>Sub-Org</u>	<u>Date Established</u>	<u>Legal Authority</u>	<u>Position Number</u>	<u>Position Title</u>	<u>Exempt (Y/N)</u>	<u>SR Level</u>	<u>BU Code</u>	<u>T/P</u>	<u>MOF</u>	<u>FTE</u>	<u>Annual Salary</u>	<u>Filled (Y/N)</u>	<u>Occupied by 89 Day Hire (Y/N)</u>
EDN450		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

<u>Prog ID</u>	<u>Sub-Org</u>	<u>Program Title</u>	<u>MOF</u>	<u>FY22 (actual)</u>			<u>FY23 (estimated)</u>			<u>FY24 (budgeted)</u>		
				<u>Base Salary</u> \$\$\$\$	<u>Overtime</u> \$\$\$\$	<u>Overtime</u> Percent	<u>Base Salary</u> \$\$\$\$	<u>Overtime</u> \$\$\$\$	<u>Overtime</u> Percent	<u>Base Salary</u> \$\$\$\$	<u>Overtime</u> \$\$\$\$	<u>Overtime</u> Percent
EDN450			A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

<u>Prog ID</u>	<u>MOF</u>	<u>Amount</u>	<u>Frequency (M/A/O)</u>	<u>Max Value</u>	<u>Outstanding Balance</u>	<u>Term of Contract</u>			<u>Entity</u>	<u>Contract Description</u>	<u>Explanation of How Contract is Monitored</u>	<u>POS Y/N</u>	<u>Category E/L/P/C/G/S/*</u>
						<u>Date Executed</u>	<u>From</u>	<u>To</u>					
EDN450	A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

<u>Prog ID</u>	<u>Prog ID</u> <u>Priority</u>	<u>Dept- Wide</u> <u>Priority</u>	<u>Senate</u> <u>District</u>	<u>Rep.</u> <u>District</u>	<u>Project Title</u>	<u>MOF</u>	<u>FY24 \$\$\$</u>	<u>FY25 \$\$\$</u>
EDN450	1	1	STATEW IDE	STATEW IDE	School capacity	C	\$750,000	\$ 5,250,000

<u>Prog ID</u>	<u>Act/Year of Appropriation</u>	<u>Project Title</u>	<u>MOF</u>	<u>Lapse Amount</u> <u>\$\$\$\$</u>	<u>Reason</u>
EDN450	N/A	N/A	N/A	N/A	N/A

<u>Program ID</u>	<u>Sub-Org Code</u>	<u>Name</u>	<u>Objective</u>
EDN 450	OS	School Facilities Authority	To improve public school facilities; provide Hawaii's students and teachers with the learning environments they deserve; and to repurpose underutilized resources and facilities for multi-generational utilization and teacher housing.

<u>Year of Change</u> <u>FY24/FY25</u>	<u>Description of Change</u>	
N/A	N/A	
	Please note that as a newly established Authority that is administratively attached to the DOE, we do not have a current approved <u>org chart</u> . The latest org chart that reflects SFA is currently under review and unavailable at the time of this request.	

<u>Prog ID</u>	<u>Amount Allotted</u>	<u>Budget for Personnel</u>	<u>Budget for OCE (Other Than Contracts)</u>	<u>Budget for Contracts</u>	<u>Dates of Initiative</u>		<u>Initiative Description</u>	<u>Appropriating Act or GOV</u>	<u>Is This A New Initiative Or An Enhancement To An Existing Initiative/Program</u>
					<u>From</u>	<u>To</u>			
EDN450	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A