



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

**Date:** 03/28/2025

**Time:** 10:00 AM

**Location:** CR 211 & Videoconference

**Committee:** Senate Ways and Means  
Senate Education

**Department:** Education

**Person Testifying:** Keith T. Hayashi, Superintendent of Education

**Bill Title:** HB 0422, HD1, SD1 RELATING TO SCHOOL IMPACT FEES.

**Purpose of Bill:** Repeals school impact fees. Abolishes and transfers unencumbered balances of the school impact fee subaccounts and certain fair share contribution accounts to School Facilities Special Fund. Takes effect 7/1/2050. (SD1)

**Department's Position:**

The Hawaii State Department of Education (Department) appreciates the opportunity to offer testimony in opposition to HB 422, HD 1, SD 1.

This bill proposes to abolish and transfer unencumbered balances of the school impact fee sub-accounts and certain fair share contribution accounts to the School Facilities Special Fund.

Hawaii's school impact fee law, Sections 302A-1601 to 302A-1612, Hawaii Revised Statutes, plays a vital role in the development of new school facilities in designated areas where the construction of new housing increases and impacts student enrollment. Under this statute, residential developers of designated high growth areas are required to dedicate land for purposes of public schools as a requirement of their land use entitlements and/or pay school impact fees. This practice is consistent with state and county land use requirements for purposes of essential public facilities such as public parks, fire and police stations that are required to be able to support the master planning of additional residential communities.

Satisfaction of school impact requirements is made up of two components: cash contribution for school construction that increases student capacity and land dedication. The land dedication component is a land-use mechanism that the Department cannot afford to lose. Prior to school impact fees, it was a long-standing practice of the State Land Use Commission (LUC) and County Planning Departments to require the dedication of land for schools and for other types of public

facilities such as parks, fire and police stations, community centers, and bus stops provided by developers of residential developments as a condition of land entitlements during their master planning development and approvals. Under this practice, the Department would have to petition the LUC or County to request the dedication of land it needed to develop new schools which would be documented in decision and orders and unilateral agreements issued by all respective counties within the State of Hawaii.

The Department understands the concern from other state agencies of the impact of school impact fees on the cost of developing state-owned affordable housing projects. Moreover, many of these state-owned affordable housing projects require gap financing that will ultimately be sought from the Legislature, creating a situation where state funds must be reallocated between two state agencies rather than being deployed efficiently for housing development.

Instead of an outright repeal of the school impact fee law followed by the abolishment and transfers unencumbered balances of the school impact fee and fair share contribution accounts, is proposing a compromise. The Department is open to support the exemption of the construction component of school impact fees for other state agencies provided the agency provides the necessary land for future public schools should student generation from the development produces exceeds the capacity of the existing schools in the area. The Department offers the following amendment to the Hawaii Revised Statutes §302A-1603:

#### **§302A-1603 Applicability and exemptions.**

(a) Except as provided in subsection (b), any person who seeks to develop a new residential development within a designated school impact district requiring:

(1) A county subdivision approval;

(2) A county building permit; or

(3) A condominium property regime approval for the project, shall be required to fulfill the land component impact fee or fee in lieu requirement and construction cost component impact fee requirement of the authority. ~~including All government housing projects and projects processed pursuant to sections 46-15.1 and 201H-38 shall be exempt from the construction cost component of the impact fee.~~

(b) The following shall be exempt from this section:

(1) Any form of housing permanently excluding school-aged children, with the necessary covenants or declarations of restrictions recorded on the property;

(2) Any form of housing that is or will be paying the transient accommodations tax under chapter 237D;

(3) All nonresidential development;

(4) Any development with an executed education contribution agreement or other like document with the agency for the contribution of school sites or payment of fees for school land or school construction; and

[(5)] Any form of development by the Hawaii community development authority pursuant to part XII of chapter 206E.

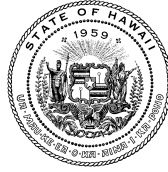
While we appreciate the current urgency for affordable housing, the waivers imposed by the

Governor's Emergency Proclamation related to Affordable Housing, already provide for certain relief. School impact fees helped streamline the process in providing the Department with the dedication of land to ensure that schools would be available for new residential developments.

On a final note, when the Hawaii School Facilities Authority was created by Act 72 (2020), it only transferred management and day to day responsibilities of the School Impact Fee Program. The School Fair Share Program is operated under a separate set of rules and under different circumstances. Any attempt to abolish the fair share and school impact fee program could put the State of Hawaii at risk of not only losing construction fees already collected and lands committed, but also risk losing the future commitments on the dedication of lands which is a vital mechanism in the development of new schools in new or growing communities.

Large residential developments such as Koa Ridge and Hoopili on Oahu, and Central and West Maui will no longer be required to dedicate land and off-site infrastructure for the Department or the Hawaii School Facilities Authority to construct any new public schools to support the proposed communities that homeowners are likely to consider when deciding on investing into the area. This will likely cause overcrowding and a negative impact on meaningful learning conditions at the existing schools in the area. Through an educational contribution agreement, the Department is in the process of acquiring land dedicated by the developer which is fully entitled with off-site infrastructure for the Department to construct a new elementary school in the Ewa area to service the nearly 12,000 residential units within the Hoopili development. The Hawaii State Board of Education's budget included the construction for the new school in this fiscal biennium's budget request.

Thank you for this opportunity to offer testimony in opposition to this measure as written.



**STATE OF HAWAII  
BOARD OF EDUCATION**  
P.O. BOX 2360  
HONOLULU, HAWAII 96804

**Senate Committee on Ways and Means  
Senate Committee on Education**

Friday, March 28, 2025

10:00 a.m.

Hawaii State Capitol, Room 211

**Measure: House Bill 422 H.D. 1 S.D. 1, Relating to School Impact Fees**

**Purpose of Measure:**

Repeals school impact fees. Abolishes and transfers unencumbered balances of the school impact fee subaccounts and certain fair share contribution accounts to School Facilities Special Fund. Takes effect 7/1/2050.

Aloha Chairs Dela Cruz and Kidani, Vice Chairs Moriwaki and Kim, and Members of the Committees:

The Board of Education (Board) respectfully offers comments on House Bill 422 HD1 SD1, and shares the strong concerns of the Department of Education.

The repeal of school impact fees and certain fair share contribution accounts would hinder the ability to create the school facilities needed for our children in areas with growing populations resulting from development.

We note that without school impact fees, several schools that are currently at capacity would never have been built.

The State would stand to lose out on the dedicated resources needed to support development of these facilities. The Board defers to the Department on the fiscal and operational aspects of the school impact fee program.

Mahalo for this opportunity to testify on behalf of the Board.

JOSH GREEN, M.D.  
GOVERNOR



RIKI FUJITANI  
EXECUTIVE DIRECTOR

STATE OF HAWAII  
SCHOOL FACILITIES AUTHORITY  
2759 S. KING STREET, ROOM H201  
HONOLULU, HAWAII 96826

**Senate Committee on Housing  
Senate Committee on Education**

Friday, March 28, 2025  
10:00 a.m.  
Hawaii State Capitol, Room 211

**House Bill 422, House Draft 1, Senate Draft 1, Relating to School Impact Fees**

Dear Chairs Dela Cruz and Kidani, Vice Chairs Moriwaki and Kim, and Members of the Committees:

The School Facilities Authority (SFA) offers **comments** on House Bill 422, House Draft 1, Senate Draft 1, which would repeal school impact fees.

The SFA acknowledges the findings within Auditor Report No. 19-13 referenced in the measure's preamble. Since the SFA has taken over management of the school impact fee program, we have recognized areas in need of improvement and have witnessed instances in which school impact fees have impeded the creation of much needed housing.

The SFA also recognizes, however, that the school impact fee program provides an important mechanism to receive land to be dedicated for future school sites in a fair and predictable manner. Should the committee find that the costs for housing outweigh the benefits for education with respect to the school impact fee program, we recommend ensuring some other mechanism is in place that allows the public education system to obtain the land it needs. Our understanding is that, should the Legislature repeal the school impact fee program, the mechanism for obtaining land for new schools would revert back to the Land Use Commission's district boundary amendment process.

Should the committees decide to pass this bill, we request a proviso to ensure that the existing written agreements executed under the school impact fee law remain in effect even after the repeal of the law. The proviso could state something to the following effect: "Notwithstanding any law to the contrary, any existing educational contribution agreements or written agreements executed with the department of education or the school facilities authority pursuant to chapter 302A, part VI, subpart B, Hawaii Revised Statutes, prior to its repeal by this Act shall remain in effect unless the parties to such an agreement mutually

agree to terminate the agreement.” This will ensure any land already set to be dedicated by planned development projects will convey without issue.

Thank you for this opportunity to testify.

Sincerely,

Riki Fujitani  
Executive Director

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



**HAKIM OUANSAFI**  
EXECUTIVE DIRECTOR

**BARBARA E. ARASHIRO**  
EXECUTIVE ASSISTANT

STATE OF HAWAII  
KA MOKU'ĀINA O HAWAI'I  
**HAWAII PUBLIC HOUSING AUTHORITY**  
1002 NORTH SCHOOL STREET  
POST OFFICE BOX 17907  
HONOLULU, HAWAII 96817

IN REPLY PLEASE REFER TO:

25:OED

Statement of  
**Hakim Ouansafi, Executive Director**  
**Hawaii Public Housing Authority**

Before the  
**SENATE COMMITTEE ON WAYS AND MEANS**  
**AND**  
**SENATE COMMITTEE ON EDUCATION**

**Friday, March 28, 2025**  
**10:00 AM – Room 211, Hawaii State Capitol**

In consideration of  
**HB 422, HD1, SD1**  
**RELATING TO SCHOOL IMPACT FEES**

Honorable Chair Dela Cruz, Chair Kidani, and members of the Senate Committee on Ways and Means and Senate Committee on Education, thank you for the opportunity to provide testimony in support of House Bill (HB) 422, HD1, SD1, which would repeal school impact fees and transfers unencumbered balances of the school impact fee subaccounts to the School Facilities Special Fund.

Given the extensive waiting lists for public housing, the Hawaii Public Housing Authority (HPHA) recognizes the urgent need to expand affordable housing options statewide. All of HPHA's planned redevelopment projects incorporate affordable rental units, which rely on gap financing from the Legislature to move forward.

While we recognize the importance of school impact fees, we are concerned that school impact fees increase the cost of developing State-owned affordable housing projects. These additional costs directly impact project feasibility by raising development expenses, which in turn can lead to higher developer fees. Moreover, many of these projects require gap financing that will ultimately be sought from the Legislature, creating a situation where State funds must be reallocated between two State agencies rather than being deployed efficiently for housing development.



By repealing school impact fees, HB 422, HD1, SD1 would help reduce barriers to affordable housing production, making critical projects more financially viable and accelerating the State's efforts to address the housing crisis.

HPHA appreciates the opportunity to provide testimony in support of this measure and thanks the Committees for its commitment to expanding affordable housing opportunities for Hawaii's residents.

Mahalo for your time and consideration.





As staunch advocates for individual freedoms and free markets, The Libertarian Party of Hawaii stands in firm **support** of House Bill No. 422 (H.D. 1) in Hawaii. This bill's focus on eliminating school impact fees is a good step towards reducing government intervention in the housing market and allowing individuals to make their own economic decisions.

By cutting these excessive fees that artificially inflate housing costs, we can have a more competitive and efficient housing market driven by consumer needs rather than government mandates. This bill aims to uphold property rights and promote a more level playing field for all Hawaii homebuyers.

I urge our lawmakers to **pass this bill swiftly**. Reducing government imposed barriers like school impact fees will benefit aspiring homeowners and renters. Let us embrace this opportunity to enhance economic freedom and housing choices for all residents of Hawaii.

Abbra Green

Secretary, Hawaii Libertarian Party

# TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

---

**SUBJECT:** MISCELLANEOUS; Repeals School Impact Fees and Fair Share Contribution Accounts; School Facilities Special Fund

**BILL NUMBER:** HB 422 HD 1 SD 1

**INTRODUCED BY:** Senate Committee on Housing

**EXECUTIVE SUMMARY:** Repeals school impact fees. Abolishes and transfers unencumbered balances of the school impact fee subaccounts and certain fair share contribution accounts to School Facilities Special Fund.

**SYNOPSIS:** Repeals part VI-B of Chapter 302A, HRS, that provides for the imposition of school impact fees.

Makes conforming amendments to section 302A-1706, HRS, and repeals section 46-142.5, HRS.

Abolishes the subaccount into which impact fees used to be deposited. Lapses the school impact fees collected to the school facilities special fund, provided that the funds shall be:

- (1) Used within the school impact district for which it was collected; or
- (2) Refunded to the developer if collected as a fee in lieu or a construction cost component impact fee after twenty years of the date of collection.

Repeals section 46-142.5, HRS, which required counties to withhold building permits until the school impact fee requirements have been satisfied.

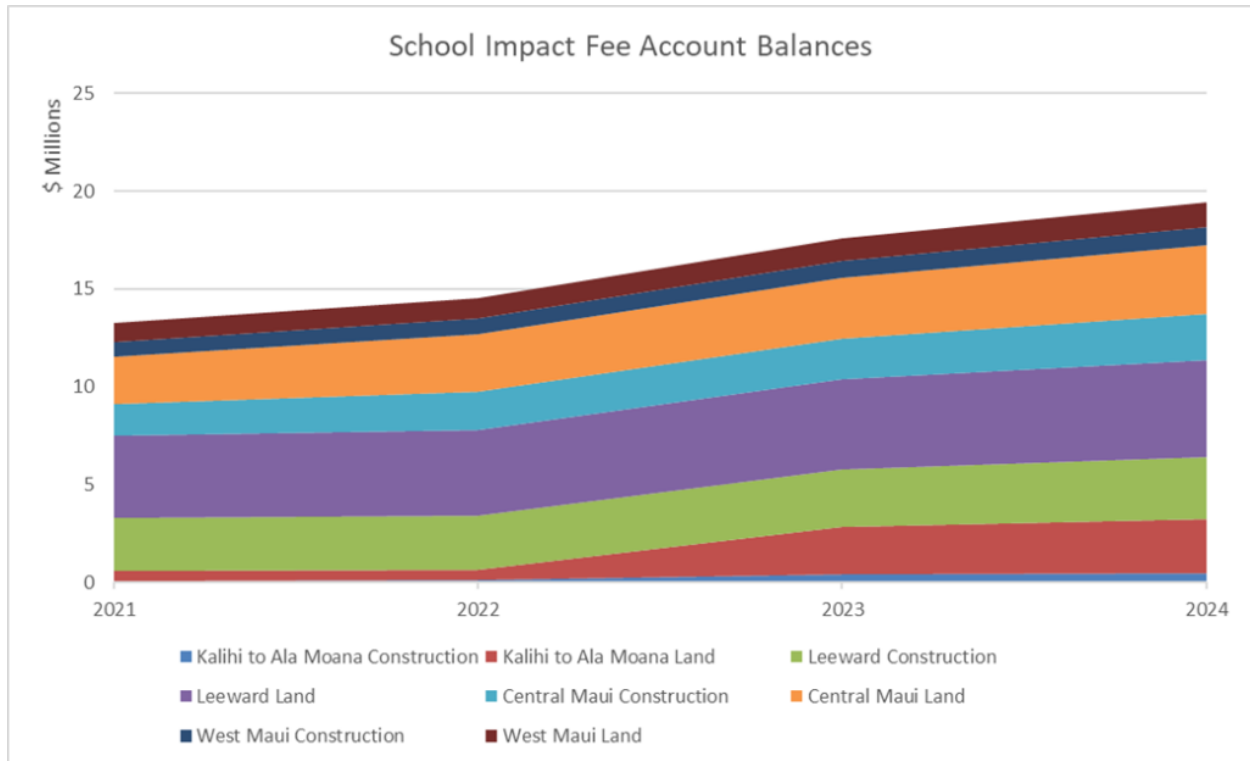
Makes additional conforming amendments to section 302A-1706, HRS.

Abolishes fair share contribution accounts and lapses any unencumbered balances to the school facilities special fund, provided that the lapsed contributions shall only be used within the same complex in which the contributions were originally collected.

**EFFECTIVE DATE:** July 1, 2050.

**STAFF COMMENTS:** In a recent publication, we also complained that school impact fees and fair share contributions were collected but were not being used.

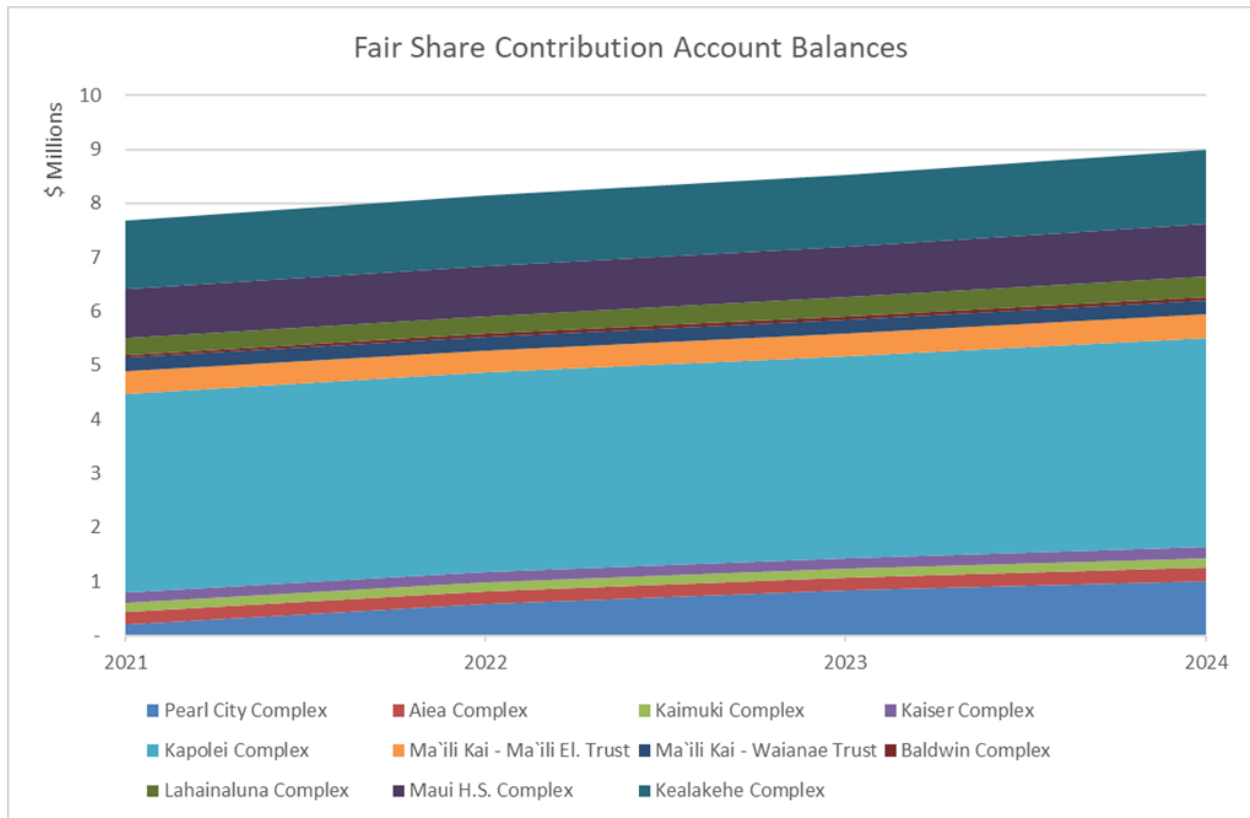
We tracked the balance of the DOE accounts holding these fees, and we complained that the fees were being taken but not used. The balances in the accounts just keep going up, as shown in this chart (updated with figures from the entire fiscal year 2024):



Source: Department of Education

As the chart shows, we now have a cumulative balance of a little less than \$20 million in the impact fee accounts.

Before the 2007 law created school impact fees, the DOE was able to shake down developers for fair share contributions, which were intended to serve much the same purpose as impact fees do today. It turns out that these accounts also have positive balances that have been steadily increasing over the past few years:



Source: Department of Education

The total of all these fair share accounts is close to \$9 million. This money, also, has been sitting around doing nothing. And most of it has been sitting around for *at least 17 years* because, as we mentioned, the fair share program was replaced by the impact fee program in 2007.

Apparently, there are technical problems with using the money, which is why it never has been spent. But the DOE tells us every single year that the schools desperately need money. We would prefer that the school system use this money up before they ask taxpayers to dig even deeper into their wallets.

This bill appears to be a step in the right direction.

Digested: 3/25/25



**Hawai'i YIMBY**  
Honolulu, HI 96814  
hawaiiyimby.org  
info@hawaiiyimby.org

March 28, 2025

Senate Committee on Ways and Means  
Senate Committee on Education  
Hawai'i State Capitol  
Honolulu, HI 96813

**RE: SUPPORT for HB 422 HD1 SD1 - RELATING TO SCHOOL IMPACT FEES**

Aloha Chairs Dela Cruz and Kidani, Vice Chairs Moriwaki and Kim, and Members of the Committees,

On behalf of Hawai'i YIMBY, we are writing in **support of HB 422 HD1 SD1** which would repeal school impact fees assessed for new residential construction. Poorly targeted impact fees can unequally cost burden certain residents and be ineffective at addressing the intended impact on the community. The current system of school impact fee assessment is both, because it raises the cost of housing construction and does not raise enough funds to address a growing school population.

We believe in fixing incentives, which includes fixing well-intended fees that are ineffective or contribute to the rising cost of housing construction. It is very important that the impacts of a growing school population on existing public school infrastructure be planned for and funded. However, the current structure of the school impact fee program both raises insufficient funds to build a new school and increases the cost of new housing construction. Placing the requirement of a school impact fee solely on new residential construction puts an unfair burden on new residents because these fees often must get passed from homebuilders to the new residents. Fees are self-imposed barriers that we have placed on ourselves and that have contributed to the housing crisis.



**Hawai'i YIMBY**

Honolulu, HI 96814

[hawaiiyimby.org](http://hawaiiyimby.org)

[info@hawaiiyimby.org](mailto:info@hawaiiyimby.org)

Funding our public school infrastructure for future growth is still very important. We ask that the legislature consider a different way to continue to fund public school infrastructure that (1) raises adequate funds to build new schools for anticipated growth and (2) is equitable in application and not solely derived from the building of new homes. Students of our public schools and their families do not only live in new residential construction.

Hawai'i YIMBY (*Yes In My Backyard*) is a volunteer-led grassroots advocacy organization dedicated to supporting bold and effective solutions for Hawai'i's devastating housing crisis. Our members are deeply concerned about Hawai'i's chronic and worsening housing shortage, which has caused home prices to rise much faster than incomes and pushes thousands of kama'āina out to the mainland or into homelessness every single year.

We ask your support for this bill. Thank you for the opportunity to testify.

Sincerely,

Damien Waikoloa

Chapter Lead, Hawai'i YIMBY

Edgardo Díaz Vega

Chapter Lead, Hawai'i YIMBY





# HAWAII APPLESEED

## CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice  
**Comment on HB422 HD1 - Relating to School Impact Fees**  
Joint Senate Committee on Ways & Means and Education  
Friday, March 28, 2025 at 10:00AM Conf. Rm. 211 and via Videoconference

---

Aloha Chair Dela Cruz, Chair Kidani, Vice Chair Moriwaki, Vice Chair Kim, and members of the committees,

Mahalo for the opportunity to testify in **strong support of HB422 HD1**, which would fully repeal school impact fees to reduce housing development costs.

While intended to fund new school construction in high-growth areas, these fees have instead accumulated in a special fund, failing to serve their purpose while adding to Hawai'i's already high housing costs<sup>1</sup>. In today's economic climate—marked by rising interest rates and tighter loan conditions—every additional cost makes homeownership less attainable for working families and first-time buyers. Eliminating school impact fees would remove an unnecessary financial barrier, making housing more accessible and reducing risks for local residents.

With some of the highest development costs in the nation,<sup>2</sup> Hawai'i must focus on policies that lower, not increase, the cost of building homes. We urge the committee to pass HB422 and repeal these ineffective fees, which only add to the financial strain on homebuyers without meaningfully addressing school capacity needs.

Mahalo for the opportunity to testify

---

<sup>1</sup> <https://files.hawaii.gov/auditor/Reports/2019/19-13.pdf>

<sup>2</sup> [https://uhero.hawaii.edu/wp-content/uploads/2024/02/WhyAreCondominiumsSoExpensiveInHawaii\\_Report.pdf](https://uhero.hawaii.edu/wp-content/uploads/2024/02/WhyAreCondominiumsSoExpensiveInHawaii_Report.pdf)

March 28, 2025, 10 a.m.  
Hawaii State Capitol  
Conference Room 211 and Videoconference

**To: Senate Committee on Ways and Means**

**Sen. Donovan Dela Cruz, Chair**  
**Sen. Sharon Moriwaki, Vice-Chair**

**Senate Committee on Education**

**Sen. Michelle Kidani, Chair**  
**Sen. Donna Mercado Kim, Vice Chair**

**From: Grassroot Institute of Hawaii**

**Ted Kefalas, Director of Strategic Campaigns**

RE: HB422 HD1 SD1 — RELATING TO SCHOOL IMPACT FEES

Aloha chairs, vice-chairs and other members of the committees,

The Grassroot Institute of Hawaii **supports** [HB422 HD1 SD1](#), which would abolish school impact fees and transfer all unencumbered monies the state has collected from these fees to the School Facilities Special Fund.

Grassroot's new brief "[Getting schooled: The case against school impact fees in Hawaii](#)" outlined why school impact fees no longer make sense for Hawaii.

For starters, school impact fees increase housing costs — as evidenced by the fact that Gov. Josh Green suspended them via emergency proclamations for the rebuilding of Lahaina and for affordable housing projects covered under his housing orders.

In addition, Hawaii's school impact fee system is likely unconstitutional, the money generated by the fees has never been spent, and student enrollment in areas subject to the impact fees has been declining.

Regarding housing prices, the fact is that homebuilders quite naturally are going to incorporate the cost of their various fees into their sales prices, which means higher home prices and higher rents.



It is no coincidence that the first action taken by the Beyond Barriers Working Group, established by the governor's emergency order on affordable housing, was to waive the school impact fee for a 52-unit rental project in downtown Honolulu.

The school impact fee for projects in the downtown area is \$3,864 per unit, which would have added \$200,928 to the project's overall construction costs.<sup>1</sup>

A couple of years before that, in 2022, Howard Hughes Holdings had to pay the DOE \$3,864 per unit in school impact fees to build its 565-unit Ward Village condo on Oahu — for a total of \$2.18 million. To recoup its costs, the company passed the fees along to its buyers in the form of closing costs.<sup>2</sup>

Regarding constitutional concerns, the Hawaii Office of the Auditor warned in a 2019 report that the DOE's school impact fees might violate the constitutional requirement that there be a "nexus" between proposed new units and the need for more classroom capacity.<sup>3</sup>

Meanwhile, the negative effect of school impact fees on housing growth has not been offset by a commensurate benefit to local schools. The state auditor's 2019 report noted that between 2007, when the fees were established, and 2018 the state Department of Education had collected \$5.34 million in impact fees,<sup>4</sup> yet had not spent any of that amount on anything.

This past December, Tax Foundation of Hawaii President Tom Yamachika wrote that "we now have a cumulative balance of a little less than \$20 million in the [school] impact fee accounts, [and] we continue to ask when this money is going to be used to do something at these schools."<sup>5</sup>

So ultimately, Hawaii's school impact fees are contributing to Hawaii's high housing costs, are likely unconstitutional and are not being used in any way to benefit the schools they are intended to benefit.

Thank you for the opportunity to testify.

Ted Kefalas  
Director of Strategic Campaigns  
Grassroot Institute of Hawaii

---

<sup>1</sup> Andrew Gomes, "[Housing panel makes first development decision](#)," Honolulu Star-Advertiser, Jan. 3, 2024.

<sup>2</sup> Andrew Gomes, "[Ward Village Builder Charges Buyers Separate Fee to Cover School Impact Assessment](#)," Honolulu Star-Advertiser, Oct. 2, 2022.

<sup>3</sup> "[Audit of the Department of Education's Administration of School Impact Fees: A Report to the Governor and the Legislature of the State of Hawai'i](#)," Office of the Auditor, State of Hawaii, September 2019, p. 11.

<sup>4</sup> "[Audit of the Department of Education's Administration of School Impact Fees](#)," p. 6.

<sup>5</sup> Tom Yamachika, "[Hoarding More School Impact Fees](#)," Tax Foundation of Hawaii, Dec. 30, 2024.

**HB-422-SD-1**

Submitted on: 3/25/2025 11:38:57 AM

Testimony for WAM on 3/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Seth Kamemoto	Individual	Oppose	Written Testimony Only

## Comments:

The Senate Committee on Housing’s report “notes that if school impact fees are repealed, ensuring the availability of land and requisite infrastructure is imperative to address future Department of Education school sites that will not have support from school impact fees.”

I definitely think it’s premature to repeal the entire School Impact Fee statute (HRS 302A, part VI, subpart B) without first addressing this critical need for educational infrastructure.

Instead of taking a sledgehammer to the entire School Impact Fee statute, I’d implore this legislature to take a more surgical approach, where specific pain points that might add exorbitant and unnecessary monetary fees could be eliminated, especially if it aligns with critical need housing units such as affordable housing and possibly residential conversions in built-out urban areas with existing underutilized educational facilities.

Thank you for your consideration,  
Seth Kamemoto

**HB-422-SD-1**

Submitted on: 3/25/2025 9:31:46 PM

Testimony for WAM on 3/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Nicholas Zehr	Individual	Support	Written Testimony Only

Comments:

Honorable Chair, Vice Chair, and Members of the Committee:

I strongly support HB422, which seeks to eliminate school impact fees, reduce housing costs, and promote a more efficient housing market in Hawai‘i. This bill reduces unnecessary government intervention while addressing the state's housing affordability crisis.

**School impact fees increase housing costs and contribute to higher rent and sale prices**, often making projects financially unfeasible. Eliminating these fees will foster a freer market where developers and consumers can make decisions without unnecessary government interference.

School impact fees place a financial burden on property developers, limiting their ability to freely develop housing. **By removing these fees, HB422 restores property rights and reduces government overreach, allowing developers to create more housing.**

The auditor's report reveals that school impact fees are inconsistently applied and **often not used for their intended purpose**, such as funding new schools. HB422 addresses this inefficiency by eliminating the fees and encouraging more direct and transparent infrastructure funding.

While eliminating fees, it’s important to ensure new developments still contribute to infrastructure needs, like schools. The bill allows for **alternative solutions, such as public-private partnerships**, to ensure that infrastructure keeps pace with growth without relying on inefficient fees.

School impact fees are not the only factor in Hawai‘i’s housing crisis. Zoning, land-use restrictions, and labor shortages also contribute to high costs. Broader regulatory reform, such as simplifying zoning laws and streamlining approval processes, is needed alongside this bill to address the housing shortage.

To address concerns about funding schools, HB422 is part of a broader reform effort. Developers and communities can play a direct role in supporting infrastructure development, ensuring balanced growth for both housing and schools.

HB422 will reduce government intervention, lower housing costs, and support a more efficient housing market. It is an important step toward addressing Hawai'i's housing crisis and ensuring that housing and infrastructure grow together in a balanced way.

I respectfully urge the committee to pass HB422.

Thank you for your time and consideration,

Nicholas Zehr

**HB-422-SD-1**

Submitted on: 3/26/2025 8:21:47 PM

Testimony for WAM on 3/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kristin K Lipman	Individual	Oppose	Written Testimony Only

## Comments:

I strongly oppose HB422. Do not abolish school-impact fees. When new developments increase the size of the public school population, developers should pay their fair share to fund construction of new school buildings.

Overcrowded schools are diminishing the quality of education for students and causing teacher burnout. The DOE has not been able to alleviate overcrowding because it does not have enough funds to build more schools. School-impact fees are a necessary funding source, and when combined with other sources, the DOE could receive enough funds to purchase land and build more schools. The school-impact fee system must be retained and fixed in order to adequately fund the DOE and expand school capacity.

**HB-422-SD-1**

Submitted on: 3/27/2025 1:09:37 AM

Testimony for WAM on 3/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kelly Nishimura	Individual	Oppose	Written Testimony Only

Comments:

Dear Chairs, Vice-Chairs, and members of the Ways and Means Committee and the Education Committee,

I strongly oppose HB422, HD1. Developers should pay their fair share for the impact their developments will have on the public school population. The claim that the DOE does not need the funds is false. Just look at Ewa Elementary School. New housing developments have increased their population so now the school is overcrowded with 25 kindergarteners per classroom. Any knowledgeable educator will tell you that a 25:1 student-to-teacher ratio in kindergarten is unacceptable. The DOE must alleviate the overcrowding and build a new school in that district. If you abolish school-impact fees, how will the DOE raise enough money to purchase decent land (that is not in a flood zone) and build the school? Are you going to raise taxes, rob from Peter to pay Paul, or make developers pay their fair share, so public school students can get the quality education they deserve?

Mahalo for the opportunity to testify.

**HB-422-SD-1**

Submitted on: 3/27/2025 7:58:32 AM

Testimony for WAM on 3/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

Good, reasonable idea. Mahalo!

**HB-422-SD-1**

Submitted on: 3/27/2025 8:19:53 AM

Testimony for WAM on 3/28/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Meredith Mimms	Individual	Oppose	Written Testimony Only

## Comments:

I strongly oppose HB422. Do not abolish school-impact fees. When new developments increase the size of the public school population, developers should pay their fair share to fund construction of new school buildings.

Overcrowded schools are diminishing the quality of education for students and causing teacher burnout. The Hawai'i DOE has not been able to alleviate overcrowding because funding is inadequate. School-impact fees are a necessary funding source and, when combined with additional funds allocated by the legislature, will enable the Hawai'i DOE to build more classrooms.

Please hold developers accountable and allocate funds for school expansion.

Mahalo for the opportunity to testify.

Meredith