

OFFICE OF INFORMATION PRACTICES

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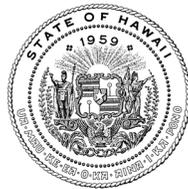
To: House Committee on Judiciary & Hawaiian Affairs

From: Carlotta Amerino, Director

Date: February 11, 2025, 2:00 p.m.
State Capitol, Conference Room 325

Re: Testimony on H.B. No. 329, H.D. 1
Relating to the School Facilities Authority

Thank you for the opportunity to submit testimony on this bill, which would clarify the authority and responsibilities of the School Facilities Authority. The Office of Information Practices (OIP) testified previously on language seeking to exempt the Authority from the Sunshine Law, part I of chapter 92. That language was removed and is not in the H.D. 1 draft of this bill, so OIP has no further concerns regarding this bill.



JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

WRITTEN ONLY

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON JUDICIARY AND HAWAIIAN AFFAIRS
ON
HOUSE BILL NO. 329, H.D. 1

February 11, 2025
2:00 p.m.
Room 325 and Videoconference

RELATING TO THE SCHOOL FACILITIES AUTHORITY

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill No. 329, H.D. 1, does the following: 1) clarifies that the School Facilities Authority (SFA) is responsible for certain development, planning, and construction projects for prekindergarten, preschool, and child care facilities, as well as workforce housing; 2) authorizes the SFA to develop workforce housing for teachers on land not owned by the Department of Education (DOE); 3) allows the SFA to use DOE for certain recruitment and hiring responsibilities; and 4) allows the SFA to partner with public and private development agencies to develop prekindergarten facilities.

Regarding the development of workforce housing for teachers on land not owned by DOE, B&F cautions that capital improvement projects funded with general obligation (G.O.) bond funds must comply with Internal Revenue Service requirements regarding private activity. The SFA will need to ensure that housing developments on private lands are compliant with the allowable use of G.O. bond proceeds.

Thank you for your consideration of our comments.



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

Date: 02/11/2025

Time: 02:00 PM

Location: 325 VIA VIDEOCONFERENCE

Committee: House Judiciary & Hawaiian Affairs

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Bill Title: HB 0329, HD1 RELATING TO THE SCHOOL FACILITIES AUTHORITY.

Purpose of Bill: Clarifies that the School Facilities Authority is responsible for certain development, planning, and construction projects for prekindergarten, preschool, and child care facilities, as well as workforce housing. Authorizes the School Facilities Authority to develop workforce housing for teachers on land not owned by the Department of Education. Allows the School Facilities Authority to use the Department of Education for certain recruitment and hiring responsibilities. Allows the School Facilities Authority to partner with public and private development agencies to develop prekindergarten facilities. Effective 7/1/3000. (HD1)

Department's Position:

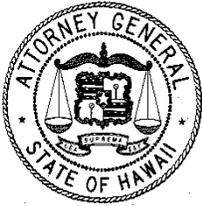
The Hawaii State Department of Education (Department) appreciates the opportunity to offer comments on HB 329, HD 1.

The Department is concerned about the new language added into HD 1 that would provide the School Facilities Authority (SFA) with the responsibility for developing, planning, and constructing all new or renovated prekindergartens and preschools. The Department still has responsibility over special education and Title I preschools and is unsure as to the impact this new language would have on its existing authorities.

Additionally, the Department is currently facing challenges in recruiting and retaining qualified staff for the Office of Facilities and Operations. Taking on the additional recruitment responsibilities for the SFA could add to these existing challenges. The increased workload and expanded scope of duties would place additional strain on the Department's already limited recruitment staff that could result in delays and inefficiencies.

Furthermore, should this bill continue, the Department requests that only either the Department or the Department of Human Resources Development be responsible for SFA's human resource needs, but not both Departments. Having two Departments assigned will cause confusion and duplication of roles upon execution of the statute.

Thank you for this opportunity to offer comments on HB 329, HD 1.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2025**

ON THE FOLLOWING MEASURE:

H.B. NO. 329, H.D. 1, RELATING TO THE SCHOOL FACILITIES AUTHORITY.

BEFORE THE:

HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS

DATE: Tuesday, February 11, 2025 **TIME:** 2:00 p.m.

LOCATION: State Capitol, Room 325

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Anne T. Horiuchi or Randall M. Wat, Deputy Attorneys General

Chair Tarnas and Members of the Committee:

The Department of the Attorney General (Department) provides the following comments.

This bill seeks to: (1) clarify that the School Facilities Authority (SFA) is responsible for certain development, planning, and construction projects for prekindergarten, preschool, and child-care facilities, as well as workforce housing; (2) authorize the SFA to develop workforce housing for teachers on land not owned by the Department of Education (DOE); (3) allow the SFA to use the DOE for certain recruitment and hiring responsibilities; and (4) allow the SFA to partner with public and private development agencies to develop prekindergarten facilities.

New section 302L-___, Hawaii Revised Statutes (HRS), at page 2, line 10, to page 3, line 3, states that the SFA shall be responsible for all development, planning, and construction related to "[w]orkforce housing for educators and other education workers in schools serving **prekindergarten**[" See page 2, lines 10-18. To align with the terminology used in section 302L-7, HRS, and to clarify that the workforce housing is for public employees, the Department suggests replacing "prekindergarten" with "public prekindergarten programs and public preschools," on page 2, line 18.

The revision to section 302A-1703(a)(1), HRS, at page 3, lines 11-18, states that the SFA shall be responsible for all public school development, planning, and construction related to "[w]orkforce housing for educators and other education workers

in schools serving elementary and secondary grades[.]” See page 3, lines 7-13. To clarify that the workforce housing is for educators and other education workers in public schools (i.e., inclusive of DOE schools and public charter schools), the Department suggests revising page 3, lines 11-13, to state: “Workforce housing for educators and other education workers in **public** schools serving elementary and secondary grades[.]” (Suggested change in bold.)

The bill states in new section 302L-__(1), HRS, that the SFA “shall be responsible for **all** development, planning, and construction related to: (1) New or renovated prekindergarten, preschool, and child care facilities[.]” Page 2, lines 12-16 (emphasis added). This means that the DOE will no longer have responsibility for the public prekindergarten or public preschool facilities on DOE or charter school campuses. To effectuate the legislative intent of the bill, we suggest revising section 302A-1128, HRS, to read as follows:

§302A-1128 Department powers and duties. The department shall have entire charge and control and be responsible for the conduct of all affairs pertaining to public instruction in the public schools the department establishes and operates, including operating and maintaining the capital improvement and repair and maintenance programs for department and school facilities; provided that all state-funded prekindergarten programs, and private partnership-funded prekindergarten programs in the public schools, except for special education and Title I-funded prekindergarten programs, shall be under the administrative authority of the executive office on early learning; provided further that the department shall continue to provide, and have administrative authority over, services generally provided to the schools excluding those services related to curriculum, instruction, assessment, and professional learning support, but including operating and maintaining capital improvement and repair and maintenance programs for any facility on a department school campus at which the executive office on early learning administers programs, **excluding prekindergarten classrooms**, and evaluation of teaching staff. The department may establish and maintain schools for secular instruction at such places and for such terms as in its discretion it may deem advisable and the funds at its disposal may permit. The schools may include high schools, kindergarten schools, schools or classes for special education or Title I-funded prekindergarten, boarding schools, Hawaiian language medium education schools, and evening and day schools. The department may also maintain classes for technical and other instruction in any school where there may not be pupils sufficient in

number to justify the establishment of separate schools for these purposes.

Suggested changes underscored and in bold.

Thank you for the opportunity to provide comments on this bill.

**DEPARTMENT OF COMMUNITY SERVICES
KA 'OIHANA LAWELAWE KAIĀULU
CITY AND COUNTY OF HONOLULU**

925 DILLINGHAM BOULEVARD, SUITE 200 • HONOLULU, HAWAII 96817
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RICK BLANGIARDI
MAYOR
MEIA



ANTON C. KRUCKY
DIRECTOR
PO'O
AEDWARD LOS BANOS
DEPUTY DIRECTOR
HOPE PO'O

February 10, 2025

The Honorable David A. Tarnas, Chair
The Honorable Mahina Poepoe, Vice Chair
And Members of the House Committee on Judiciary & Hawaiian Affairs
State Capitol, Conference Room 325
415 South Beretania Street
Honolulu, Hawai'i 96813

Dear Chair Tarnas and Vice Chair Poepoe
And Members of the House Committee on Judiciary & Hawaiian Affairs:

SUBJECT: Measure H.B. No. 329 H.D. 1 – Relating to the School Facilities
Authority

Mahalo for the opportunity to testify in support of H.B. No. 329 H.D. 1.

We appreciate the Legislature's commitment to expanding access to early learning facilities and empowering the School Facilities Authority (SFA) with the responsibility for certain development, planning, and construction projects for prekindergarten and child care facilities.

The City's Department of Community Services (DCS) has been collaborating with the SFA to identify key sites on O'ahu that may benefit from expanded child care access. As such, we support the intention of the bill related to sections 1 and 2 and reserve comments on section 3 of the bill.

We look forward to our continued partnership with the state in increasing early learning opportunities for families and we appreciate your consideration in passing this measure.

Sincerely,

Anton C. Krucky
Director Designate

JOSH GREEN, M.D.
GOVERNOR

RIKI FUJITANI
EXECUTIVE DIRECTOR



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

House Committee on Judiciary & Hawaiian Affairs

Tuesday, February 11, 2025
2:00 p.m.
Hawaii State Capitol, Room 325

House Bill 329, House Draft 1, Relating to the School Facilities Authority

Dear Chair Tarnas, Vice Chair Poepoe, and Members of the Committee:

The School Facilities Authority (SFA) **supports the intent** of House Bill 329, House Draft 1, which would clarify that the SFA is responsible for certain development, planning, and construction projects for prekindergarten, preschool, and child care facilities and workforce housing; authorize SFA to develop teacher workforce housing on land not owned by the Department of Education (DOE); allow the SFA to use the DOE for certain recruitment and hiring responsibilities; and allow the SFA to partner with public and private development agencies to develop prekindergarten facilities.

Clarifying SFA's roles and responsibilities in statute would benefit policymakers, DOE, SFA, and the public and would be useful in shaping SFA's strategic vision. We recognize that the role of the SFA has the potential to be a multi-year policy debate. HB 329 includes just the projects that several legislative acts have already assigned to the SFA, which serves as a good starting point for this discussion.

We have some recommendations to make the roles and responsibilities related to projects for prekindergarten, preschool, and child care facilities and workforce housing clearer while ensuring the SFA maintains flexibility to deliver the projects already contemplated. We suggest deleting Section 2 of the bill and changing Section 3, Subsection 1, of the bill to read:

Section 302A-1703, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

"(a) Except as otherwise limited by this chapter, the authority shall be responsible for all [~~public school~~

~~development, planning, and construction] projects related to [capital improvement projects]:~~

- (1) New or renovated facilities for prekindergarten, preschool, child care, or early learning programs;
- (2) Workforce housing for educators and other education workers in schools serving prekindergarten, elementary, and secondary grades; and
- (3) Any public school development, planning, and construction assigned by the legislature, governor, or board of education."

The changes the House Committee on Education made to the bill attempted address the recommendations from the Department of the Attorney General stemming from "public schools" being defined under HRS Chapter 302A as "all academic and noncollege type schools established and maintained by [DOE] and charter schools governed by chapter 302D." The Department of the Attorney General noted that this could cause confusion regarding preschool facilities and make it unclear whether workforce housing must be on school property. However, we are concerned that the changes would make SFA's responsibilities less clear and limit SFA's ability to deliver prekindergarten, preschool, and child care facilities.

Instead, we recommend removing the reference to "public school development, planning, and construction" in the beginning of HRS Section 302A-1703, subsection (a), and replacing it with "projects," which HRS Section 302A-1701 defines broadly as "the development and construction of new school facilities, including infrastructure; access and other support for new school facilities; prekindergarten facilities; major renovation of school facilities; public-private partnership projects; new capital improvement projects funded by the legislature for completion by the authority; acquisition of real property, personal property, or mixed property for new school facilities; and planning, development, and leasing of public school land or facilities to private partners pursuant to section 302A-1151.1."

Structuring HRS Section 302A-1703, subsection (a), this way negates the need for describing part of SFA's responsibilities in a different statutory chapter and explicitly stating that workforce housing projects can be on land not owned by the DOE.

We support the option to use the DOE for recruitment and hiring. We think the intent of the enabling legislation was to allow the SFA to use either DOE or the Department of Human Resources Development for this purpose, but a lack of clarity has been a limiting factor for the SFA. We do not believe this will be an administrative burden to the DOE as it already provides recruitment and hiring support to other agencies attached to it, such as the Hawai'i Teachers Standards Board and the Executive Office of Early Learning, both of which have more positions than the SFA.

We also support clarifying that the SFA is allowed to partner with public and private development agencies to develop prekindergarten facilities. The SFA has been exploring various prekindergarten expansion models, and adding this language to statute could strengthen the options we have been considering.

Thank you for this opportunity to testify.

Sincerely,

Riki Fujitani
Executive Director

To: Representative David A. Tarnas, Chair
Representative Mahina Poepoe, Vice Chair
House Committee on Judiciary & Hawaiian Affairs

From: Chevelle Davis, Director of Early Childhood & Health Policy
Hawai'i Children's Action Network Speaks!

Subject: Measure H.B. No. 329 H.D. 1 – Relating to the School Facilities Authority

Hearing: Tuesday, February 11, 2025, at 2:00 PM, Conference Room 325

POSITION: Support with amendments

Aloha e Chair Tarnas, Vice Chair Poepoe, and Members of the Committee,

Mahalo for the opportunity to provide testimony **supporting, with amendments, H.B. No. 329 H.D. 1**, clarifying the School Facilities Authority's (SFA) role in developing prekindergarten, preschool, child care facilities, and workforce housing. Ensuring clear statutory language will help policymakers, DOE, SFA, and the public align on a shared vision while maintaining flexibility in project implementation.

We recommend:

- **Removing Section 2** and revising **Section 3, Subsection 1** to explicitly state SFA's responsibility for early learning facilities and workforce housing without limiting projects to DOE-owned land.
- **Replacing "public school development"** with "projects" in HRS Section 302A-1703 to align with existing legal definitions and avoid confusion over preschool facility jurisdiction.
- **Clarifying SFA's authority** to partner with public and private entities for prekindergarten expansion and to utilize DOE for recruitment and hiring, ensuring efficiency without adding administrative burdens.

These changes will strengthen SFA's ability to address critical early learning infrastructure needs while maintaining the flexibility necessary to deliver projects effectively. We urge the Legislature to consider these amendments to ensure the successful expansion of early learning opportunities in Hawai'i.

Mahalo for the opportunity to testify on this critical measure.

HB-329-HD-1

Submitted on: 2/7/2025 11:09:55 AM

Testimony for JHA on 2/11/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Scott Smart	Individual	Oppose	Written Testimony Only

Comments:

I OPPOSE HB329 HD1 as regards DoE-SFA involvement in developing and maintaining "workforce housing" on or off DoE owned property.

Hawaii currently has various state agencies involved in developing housing for "workforce", low income, Hawaiian, etc communities. This development should be consolidated into a single entity so that a consistent state-wide policy can be implemented with adequate measures of oversight.

I attended a public hearing hosted by SFA as regards proposed "workforce" housing at Mililani HS. It was clear that SFA is not adequately staffed or experienced to manage public housing.