

This meeting is a remote meeting under Section 92-3.7, Hawaii Revised Statutes, and includes an in-person meeting location open to the public and a virtual meeting option that allows the public to participate remotely, including viewing the meeting virtually and providing remote oral testimony. Some board members will be participating virtually from nonpublic locations.



**STATE OF HAWAII
SCHOOL FACILITIES AUTHORITY
BOARD MEETING**

BOARD MEMBERS

Edmund Aczon Harold Edwards Jan Iwase Bettina Mehnert
Alan Oshima, Chairperson

NOTICE OF MEETING

Thursday, November 16, 2023
2:00 p.m.

Public Meeting Location

1164 Bishop Street, Suite 1100
Honolulu, Hawaii 96813

Virtual Meeting Information

Click on this link to join the Zoom webinar:

<https://zoom.us/j/91336047842?pwd=Q2REcVRYZFUQ2xITIE3ZE9rMzl6dz09>

Webinar ID: 913 3604 7842

Meeting passcode: 049653

Join by phone:

One tap mobile : +16699009128,,91336047842#,,,,*049653# US (San Jose)

+17193594580,,91336047842#,,,,*049653# US

AGENDA

- I. Call to Order**
- II. Appreciation for L. Candy Suiso and Welcome New Board Members Edmund Aczon and Jan Iwase**
- III. Roll Call and Determination of a Quorum**
- IV. Approval of Meeting Minutes of October 3, 2023**
- V. Public Testimony**
- VI. Report of the School Facilities Authority Executive Director**
 - A. Update on Expanding Pre-Kindergarten Access, New Schools, and Education Workforce Housing
 - B. Update on Administrative Activities
- VII. Public Testimony**
- VIII. Action Items**
 - A. Board Action on the School Facilities Authority's Mission, Vision, Key Strategies, Areas of Focus, 3-Year Goals, and 5-Year Goals
- IX. Adjournment**

Meeting material is available online at <https://www.hisfa.org/>.

The Board accepts written testimony on any agenda item and strongly encourages it as the primary means of submitting testimony. Written testimony received 49 hours before the meeting will be posted publicly and distributed to Board members before the meeting. Individuals may submit written testimony in advance of the meeting via email to sfboard@hisfa.org, or by mail addressed to: School Facilities Authority, 75 Aupuni Street, Basement, Hilo, Hawaii 96720.

Individuals interested in signing up to provide oral testimony at the meeting may submit their name, email, and phone number to sfboard@hisfa.org. Individuals may provide oral testimony in-person at the meeting.

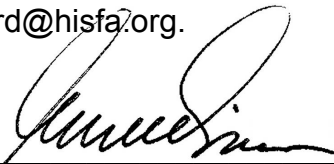
In accordance with Hawaii's Sunshine Law (Hawaii Revised Statutes, Chapter 92), all testimony, whether written or oral, should be related to an item that is on the agenda.

If you need an auxiliary aid/service or other accommodation due to a disability, contact Cindy Watarida at (808) 430-5531, or by email at cindy.watarida@hisfa.org as soon as possible. Requests made as early as possible have a greater likelihood of being fulfilled.

Upon request, this notice is available in alternate/accessible formats.

The Board will be meeting remotely using interactive conference technology. If the video conferencing link cannot be maintained either with all Board members participating in the meeting, or with the public, the meeting shall be automatically recessed for up to thirty (30) minutes to allow staff to attempt to restore communication with all participating members. If communication by the video conferencing link with all participating Board members is restored in those 30 minutes, the meeting will be reconvened. If communication by the video conferencing link cannot be restored in those 30 minutes, the meeting may be reconvened using the audio-only communication at the above-listed telephone number only, if within 15 minutes of establishing audio-only communication, copies of nonconfidential visual aids brought to the meeting by Board members or as part of a scheduled presentation are made available to the public via <https://www.hisfa.org/>. If the meeting is not reconvened as provided above, the Board may continue the meeting by notifying the public of the date, time, and place of the meeting at <https://www.hisfa.org/> Otherwise, the meeting will be automatically terminated.

For further information, email sfaboard@hisfa.org.



Alan Oshima, School Facilities Authority Board Chairperson

SCHOOL FACILITIES AUTHORITY BOARD
MEETING MINUTES
Date: October 3, 2023
Time: 8:30 a.m.
Teleconference via Zoom

Members Present:

Alan Oshima, Chairperson
Harold Edwards
Bettina Mehnert
L. Candy Suiso

Staff Present:

Chad Keone Farias, SFA Executive Director
Alison Kunishige, SFA Deputy Executive Director
Cindy Watarida, SFA Business Manager

AGENDA

I. Call to Order

Chairperson Alan Oshima called the meeting to order at 8:33 a.m.

II. Roll Call and Determination of a Quorum

Chairperson Oshima and Members Edwards, Bettina Mehnert, and L. Candy Suiso were present at roll call. Quorum was established.

III. Approval of the Meeting Minutes

Motion: Move to approve the August 1, 2023 and September 5, 2023 meeting minutes (Edwards/Suiso). 4 Ayes (Oshima, Edwards, Mehnert, Suiso), 0 Nos, 0 Abstentions. Motion carries; minutes are approved.

IV. Public Testimony

There was no public testimony.

V. Update from the SFA Executive Director

A. Expanding Pre-Kindergarten Access

1. DOE. ED Farias reported that SFA completed 11 classrooms in partnership with DOE, on DOE campuses for the 2023-2024 School Year. All 11 classrooms are open and operating. Nine of these classrooms are at full capacity and a few of those classrooms have a wait list of at least 20-30 applicants. Two of these classrooms are under-enrolled.
 - a) ED Farias reported that SFA is working with EOEL to complete construction on some classrooms earlier in the school year.
 - b) ED Farias reported that there are 33 classrooms identified for the next round of renovations. He stated that the list may fluctuate due to external variables, but at this point there are three classrooms in the construction bidding phase, five in the design phase, 21 in the planning phase, and 4 that still need to be assessed.
 - c) ED Farias reported that since the last Board meeting, 90% of responsibilities have been transferred from DOE to the SFA, however, the DOE would remain involved as projects would impact their campuses.
2. Charter Schools. ED Farias reported that the State Public Charter School Commission began its application process for interested Charters and entities interested in becoming a Charter to expanding pre-kindergarten access on charter school campuses.
 - a) University of Hawaii at Hilo (UHH). ED Farias reported that the Imiloa Astronomy Center is interested in building a Hawaiian immersion pre-kindergarten center located on the UHH campus. He stated that there is a wait list of 100 interested applicants and the plan is for SFA to build three classrooms to help reduce the wait list. ED Farias explained that the pre-kindergarten center would be operated under the charter of Ke Kula 'O Nāwahīokalani'ōpu'u Iki, LPCS.
 - b) Waialae Elementary Public Charter School (Waialae). ED Farias reported that SFA conducted a site visit to Waialae with a representative from the Lieutenant Governor's office. He explained that Waialae is a conversion charter school and that the land is owned by the DOE. ED Farias reported that Waiale has a wait list of 100 applicants for its pre-kindergarten program. He explained that the site visit included a walkthrough of the potential pre-kindergarten classrooms and outside spaces. ED Farias reported that SFA would work with

DOE's Office of Facilities and Operations and Office of Hawaiian Education on Waialae's project.

3. University of Hawaii at Manoa - Children's Center. ED Farias reported that the ground breaking ceremony for the University of Hawaii at Manoa's housing project located on the former NOAA site is tomorrow. Board Chair Oshima and ED Farias plan to attend the ceremony on behalf of SFA.
4. Kealakehe High School - Education Academy Pathway. ED Farias reported that SFA and DOE are in negotiations to purchase the Maile Learning Center building located on Kealakehe High School campus. The plan is for SFA to purchase and renovate the building for pre-kindergarten use and that DOE would integrate the pre-kindergarten program with its pre-kindergarten teacher academy program.
 - a) Chair Oshima asked for more detail on the purchase. ED Farias stated that the building is located on the Kealakehe High School campus, but owned by the non-profit organization LaiOpua. He explained that because the organization is no longer using the building, the DOE wanted to purchase the building to complete its portfolio and expand its academy program.

B. New Schools

1. Central Maui New Elementary and Middle School: ED Farias reported SFA is working to get data on areas of capacity and need.
2. West Maui new school. ED Farias provided the following updates on a school in West Maui.
 - a) DOE plans to establish a temporary campus for King Kamehameha III Elementary students at Princess Nahienaena Elementary.
 - b) DOE intends to build a temporary school for King Kamehameha III students in Pulelehua, Maui.
 - c) DOE is currently leading both activities in conjunction with the U.S. Army Corps of Engineers and SFA would stand ready to support, if necessary.
3. East Kapolei High School, feasibility study. ED Farias reported that SFA was appropriated \$100,000 in 2022 legislation and \$15,000,000 in 2023 legislative session. ED Farias confirmed SFA has partnered with

UHCDC on carrying out its feasibility study.

C. Education Workforce Housing

1. Maui County. ED Faris reported that SFA is planning on issuing an RFP of an RFQ for teacher housing on Maui either ending October 2023 or early November 2023.
 - a) Chair Oshima suggested further insight and processes are needed in making determinations related to ground rules for teacher housing. He stated that such determinations should be made by SFA or a task force. ED Farias stated that he would pursue a task force, which includes HSTA and DOE to discuss teacher housing.
2. Waipahu High School. ED Farias reported that he visited Waipahu High School and met with the school's principal to get an understanding of the school's current use of the property, site control, and potential restrictions given the proximity of the school to Pearl Harbor.

D. Operations

1. Office Space: Oahu. ED Faris reported that DAGs and the property broker were engaged in the leasing process and that SFA should be able to move into the space by mid-November.
2. Personnel. ED Farias reported that SFA completed interviews for two project manager positions and made offers to two candidates. He stated that SFA continues to work with DOE's Office of Talent Management and the Department of Human Resources Development in establishing and hiring for the remaining positions, an IT/data position, office assistant, a purchasing specialist, land agent, and planner.
 - a) Board Member Suiso asked for position titles and the individuals in these positions. ED Farias responded with the following positions and names:
 - (1) Executive Director, Chad K. Farias
 - (2) Deputy, Alison Kunishige
 - (3) Business Manager, Cindy Watarida
 - (4) Policy and Program Officer, Kenyon Tam
 - (5) Project Manager, Greg Zabinski

E. Strategic Planning

ED Farias reported that SFA continues to work with its consultants on drafting

the strategic plan and meeting with stakeholders to get feedback on initial drafts. He stated that the goal is to have a strategic plan posted and shared with the public prior to the legislative session.

VI. Additional Public Testimony

There was no additional testimony.

VII. Presentation on status of Request for Qualifications for Maui education workforce housing project

ED Farias stated that he covered details of the RFQ in his Report of the School Facilities Authority Executive Director and stated that SFA would work with the SFA Board on the creation of specific rules relating to teacher housing and the process to create these rules.

VIII. Adjournment

Motion to adjourn the meeting (Mehnert/Edwards). 4 Ayes (Oshima, Edwards, Mehnert, Suiso), 0 Nos, 0 Abstention. Motion carries; meeting adjourned at 9:12 a.m.

Report of the School Facilities Authority Executive Director

November 16, 2023

EXPANDING PRE-KINDERGARTEN ACCESS

Pursuant to Act 257 (2022), the School Facilities Authority (“SFA”) was tasked with assisting the State in its efforts to expand pre-kindergarten access statewide through the construction of new school facilities, renovation, improvement, and expansion of existing school facilities. SFA is also involved in numerous collaborative meetings related to the pre-kindergarten expansion plan. Lieutenant Governor Sylvia Luke leads a monthly meeting attended by SFA and various public and private partners to discuss the progress and furthering the efforts of the State’s [Ready Keiki](#) initiative.

Update:

DOE. SFA has continued its bi-weekly check-in meetings with DOE, EOEL, and its consultants. SFA’s goal is to open 44 pre-kindergarten classrooms for the 2024-2025 school year. At this time, SFA has identified 40 classrooms. An additional 3 classrooms were identified since last month. SFA will need to identify another 4 classrooms to be able to meet its goal. Additionally, SFA will complete work on two classrooms in Nanakuli shortly and is working with EOEL to furnish those classrooms and open them to students by January 2024.

UH Hilo - Imiloa/Charter. I reported last month that the University of Hawaii at Hilo, in partnership with the Imiloa Astronomy Center, is also planning construction of a Hawaiian immersion pre-kindergarten center where pre-kindergarten classrooms are integrated with curriculum development and testing. The current plan would have the center located on the University of Hawaii at Hilo campus, but operated under the charter of Ke Kula ‘O Nāwahītokalani‘ōpu‘u Iki Lab Public Charter School. On October 25, 2023, I visited the site identified for the center together with consultants and representatives from various organizations involved with the development of the center.

NEW SCHOOLS

West Maui new school. SFA is monitoring the school situation in West Maui, which is currently being handled by DOE and various federal agencies. The short-term focus is on reopening West Maui schools after fall break. The mid-term focus is the erection of a temporary campus for King Kamehameha III Elementary School at the Pulelehua project. DOE and various federal agencies will work on this mid-term goal. The long-term focus would be the construction of a permanent replacement school, which could be an SFA project as it would be a new and not a renovated school facility. However, by law, the Legislature, Governor Josh Green, or the Board

of Education will determine whether SFA is assigned this project.¹ In any event, SFA must collaborate with others to ensure that the respective roles contribute to an efficient process and a well-planned new campus and pressing needs will require collaboration and flexibility. SFA has and continues to offer DOE support and stands ready to assist in any way requested.

Update: DOE reopened its West Maui schools on its phased schedule with Lahainaluna High School campus reopening on October 16, 2023 and Lahaina Intermediate campus reopening on October 17, 2023. King Kamehameha III Elementary students will share campus facilities with Princess Nahienaena Elementary starting October 18, 2023 and until the completion of a temporary school at Puleleuha for King Kamehameha III Elementary students.

EDUCATION WORKFORCE HOUSING

Legislators have recognized educator salaries trail behind the nation and the adjusted cost of living plays a significant role in Hawaii's shortage of licensed educators. Legislators have identified two key strategies to address the challenges of recruiting and retaining teachers: financial incentives and affordable housing. Pursuant to [Act 172 \(SLH 2023\)](#), the School Facilities Authority is tasked with the latter. [Act 164 \(SLH 2023\)](#) to SFA to plan, design, and construct housing for teachers, educators, and staff. Initially, the legislature has asked that SFA look at developing housing in seven areas, Mililani High School, Nanakuli High School, Waipahu High School, the Koolaupoko area, and Hawaii County, Maui County, and Kauai County.

Maui County. SFA is planning to release a Request for Qualifications ("RFQ") within the next two months.

Mililani High School. On November 2, 2023, I visited the Mililani High School campus with SFA's consultant to get an understanding of various sites that may be able to accommodate teacher housing and pre-kindergarten classrooms, site topography, current use, and the school's needs. Mililani High School Principal Fred Murphy hosted the visit and helped us to understand the history of discussion of development on the school campus, and the school's future needs.

Supplemental Budget Request. SFA requested an additional \$15 million to continue work on education workforce housing and funds for a deputy attorney general position through the 2024-2025 supplemental budget request process. These requests were not included in the current form of Governor Josh Green's executive budget request, but SFA has an opportunity to appeal to explain the need and plans to do so.

¹ Hawaii Revised Statutes Section 302A-1703(a), provides: "[e]xcept as otherwise limited by this chapter, the authority shall be responsible for all public school development, planning, and construction related to capital improvement projects assigned by the legislature, governor, or board of education." Emphasis added. Available at: https://www.capitol.hawaii.gov/hrscurrent/Vol05_Ch0261-0319/HRS0302A/HRS_0302A-1703.htm

OPERATIONS

Office Space: Oahu. SFA is working with the State Department of Accounting and General Services (“DAGS”) Planning and Leasing Services Branch to lease an office space located at 600 Kapiolani Boulevard

Update: Last month I reported that the goal was to complete the leasing process by late October and officially move into the space in November. However, the Department of Accounting and General Services (“DAGS”) and the building broker were unable to come to terms. As a result, the broker leased the space to someone else. I visited the same building (600 Kapiolani Boulevard) to see other spaces that are currently available and found a comparable one that would not require a great deal of construction to make it move-in ready. DAGS is currently in negotiations with the building broker and I am hopeful that these negotiations will be successful.

Personnel. SFA started with four staff members. In 2023, the Legislature allocated an additional eight positions to SFA. SFA plans to fill all of its 12 positions by the end of the 2023 calendar year.

Update: Last month I reported that SFA is making steady progress on filling the additional eight positions. This month, I am happy to announce that we hired two new project managers: Jianping Fouse and Wilmurf de Vera. Current SFA staff are as follows:

- Executive Director, Chad K. Farias;
- Deputy Director, Alison Kunishige;
- Business Manager, Cindy Watarida;
- Policy and Program Officer, Kenyon Tam;
- Project Manager, Greg Zabinski;
- Project Manager, Jianping Fouse; and
- Project Manager, Wilmurf de Vera.

In addition to the upcoming project manager vacancy, the remaining positions are purchasing specialist, land agent, planner, office assistant, and information technology specialist.

Strategic Planning. The Hawaii Institute for Public Affairs (“HIPA”) is facilitating work on the SFA Board’s first strategic plan.

Update: The Board has a draft strategic document for its consideration and action later in this meeting. SFA plans to bring an executive director evaluation process and priorities based on the strategic planning document to the Board in December.

Administrative Rules. SFA must adopt administrative rules. The first set of rules are its rules of practice and procedure. Other potential rules to consider are those relating to public-private partnerships, impact fees, environmental assessments, and teacher housing.

Update: At the Board's July 6, 2023 meeting, SFA reported that the Department of the Attorney General approved the draft administrative rules (which were entitled "Rules of General Applicability" at the time) as to form and that the next step would be a public hearing. However, upon further analysis, SFA staff believed the draft rules required additional revisions to meet statutory provisions, ensure clarity and practical application, and eliminate unnecessary provisions. Because some of the provisions in the draft rules are more suitable for bylaws, staff are working on bylaws concurrently. When drafts of both are ready, staff will request legal review from SFA's deputy attorney general before requesting a review as to form. Staff project draft bylaws and rules of practice and procedure to come before the Board in January.

Kaimuki Planning Study. SFA executed a memorandum of agreement (MOA) with the University of Hawaii Community Design Center (UHCDC) on June 30, 2023, for a preliminary, proof of concept planning study of the Kaimuki area to inform future SFA development in the area. While the MOA was originally for the Kaimuki Complex, UHCDC has since expanded the study to include the Kalani Complex as well.

Update: UHCDC will be providing SFA with a preliminary report toward the end of November with the parcels that might be possible for education-related development within the Kaimuki and Kalani Complexes. UHCDC has been working with SFA to finalize the initial filters for this preliminary report, which will result in a list of about 1,000 parcels. SFA staff will review the report and make recommendations to the Board in December or January on the properties that may hold the most promise for further analysis. The Board would then select sites it finds to have the highest likelihood of development potential from this preliminary report for UHCDC to conduct a more thorough, in-depth analysis.

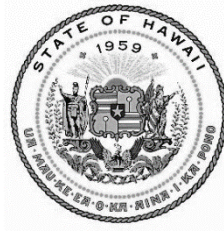
Professional Development. SFA staff and Board members attend conferences to further develop capacity and network with similar organizations and industry professionals.

Update:

2023 A4LE LearningSCAPES Conference. Project Manager Greg Zabinski and I attended the 2023 A4LE LearningSCAPES Conference, focusing on the art and science of driving the transformation of learning environments. The conference included breakout sessions, facility tours, and workshops.

National Council on School Facilities (NCSF). Board Chairperson Alan Oshima, Deputy Executive Director Alison Kunishige, and I attended the 2023 NCSF annual conference and meeting where the theme was "states supporting America's school infrastructure." The conference was attended by K-12 school facilities officials and industry sponsors.

There were two days of sessions and the annual business meeting and one day of visits to Capitol Hill where NCSF members met with members of Congress.



STATE OF HAWAII
SCHOOL FACILITIES AUTHORITY
75 AUPUNI STREET, STE. BASEMENT
HILO, HAWAII 96720

November 16, 2023

MEMORANDUM

TO: Alan Oshima
School Facilities Authority Chairperson

FROM: Chad K. Farias
Executive Director

SUBJECT: Board Action on the School Facilities Authority's Mission, Vision, Key Strategies, Areas of Focus, 3-Year Goals, and 5-Year Goals

I. BACKGROUND

At its January 10, 2023 meeting, the board of School Facilities Authority (the "Board") asked School Facilities Authority ("SFA") staff to provide recommendations on strategic planning options to the Board at a future meeting.¹

At its February 7, 2023 meeting, the Board authorized the Board chairperson to develop a timeline and implementation plan for the SFA, including the ability to contract for facilitation services, as deemed necessary, for an amount not to exceed \$25,000.²

At the Board's April 4, 2023 meeting, SFA staff provided an update on the strategic plan process to the Board and noted that SFA selected the Hawaii Institute for Public Affairs ("HIPA") as the contractor for the strategic planning process. The

¹ See SFA's January 10, 2023 meeting minutes available at: <https://www.hisfa.org/wp-content/uploads/January-2023-SFA-Board-Minutes.pdf>.

² See SFA's February 7, 2023 meeting minutes available at: <https://www.hisfa.org/wp-content/uploads/February-2023-SFA-Board-Minutes.pdf>.

contract with HIPA stipulated that a first draft would be completed around July or August.³

At the Board's May 2, 2023 meeting, Bill Kaneko of HIPA presented to the Board. In his presentation, he noted specific strategic plan deliverables, including stakeholder meetings, a land use plan, a financial plan, and a communication and engagement strategy. Board members discussed solidifying SFA's mission, goals, and objectives to help with the communication and engagement strategy. Mr. Kaneko advised that the SFA should incorporate short-term actions, such as Act 257 (Session Laws of Hawaii 2022), teacher housing, and administrative activities, into the strategic plan.⁴

At the Board's July 6, 2023 meeting, Board Chairperson Alan Oshima summarized the draft strategic planning document provided by HIPA. He highlighted the long- and short-term goals for the SFA and the potential for an upcoming summit in Fall of 2023. Board Chairperson Oshima noted that the final report would likely require some graphic design work. Board members asked SFA staff to keep the Board apprised of when and what types of contracts are issued.⁵

At the Board's October 3, 2023 meeting, I provided an update on strategic planning and noted that HIPA provided SFA with an initial draft report, which includes key strategies. SFA worked with Board Chairperson Oshima and Mr. Kaneko to create a summary sheet with a revised mission, vision, areas of focus, and five-year goals.⁶

II. REPORT HIGHLIGHTS

I will provide the Board with a presentation on the proposed mission, vision, key strategies, areas of focus and 3-year and 5-year goals. This presentation will include an explanation of why the format (areas of focus and goals) was used instead of a traditional strategic plan and why a 5-year timeline was selected, among other highlights.

III. RECOMMENDATION

I recommend that the Board approve the proposed motion.

Proposed motion: "Move to approve the School Facilities Authority's Mission, Vision, Key Strategies, Areas of Focus, 3-Year Goals, and 5-Year Goals as attached as Exhibit A to Executive Director Chad K. Farias's memorandum dated November 16, 2023."

³ See SFA's April 4, 2023 meeting minutes available at: <https://www.hisfa.org/wp-content/uploads/April-2023-SFA-Board-Minutes.pdf>.

⁴ See SFA's May 2, 2023 meeting minutes available at: <https://www.hisfa.org/wp-content/uploads/May-2023-SFA-Board-Minutes.pdf>.

⁵ See SFA's July 6, 2023 meeting minutes available at: <https://www.hisfa.org/wp-content/uploads/DRAFT-July-2023-SFA-Board-Minutes-1.pdf>.

⁶ See SFA's October 3, 2023 meeting minutes available at: <https://www.hisfa.org/wp-content/uploads/2023-10-03-SFA-Meeting-Packet.docx.pdf>.

Exhibit A

**School Facilities Authority's Mission, Vision, Key Strategies, Areas of Focus,
3-Year Goals, and 5-Year Goals**

II. Executive Summary

School Facilities Authority 2024–2028 Areas of Focus and Goals

Mission: The School Facilities Authority expeditiously creates modernized learning and living environments for Hawaii’s public education system by using innovative partnership models, applying sustainable financing strategies, engaging the community in the development process, and partnering with the Hawaii State Department of Education and its attached agencies.

Vision: The School Facilities Authority envisions Hawaii’s public education system providing all students access to inspiring, purpose-built, and culturally responsive learning environments and providing readily available workforce housing to the individuals essential to the success of Hawaii’s public schools.

Key Strategies:

1. Engage students, stakeholders, and the community
2. Use vacant or underutilized public school lands to maximize impact
3. Use public-private partnerships to leverage expertise and resources
4. Develop a comprehensive land use plan for project areas
5. Develop a sustainable financing plan and strategy that benefits the State

Areas of Focus:	3-Year Goals:	5-Year Goals:
<p>Expanding Inspiring Learning Spaces</p>	<p>3a. Pre-K: Renovating or constructing 143 pre-kindergarten classrooms by the end of the 2026 calendar year, including at least two innovative facilities incorporating features beyond basic classroom design.</p> <p>3b. New Schools: Initiate design phase for two schools using SFA Board adopted 21st century schools guidelines and identify a third school by the end of the 2026 calendar year.</p>	<p>5a. Pre-K: Renovating or constructing 231 pre-kindergarten classrooms by the end of the 2028 calendar year, including at least four innovative facilities incorporating features beyond basic classroom design.</p> <p>5b. New Schools: Initiate construction phase for two schools using SFA Board adopted 21st century schools guidelines and have a third school in the design and planning stage by the end of the 2028 calendar year.</p>
<p>Spearheading Housing Solutions</p>	<p>3c. Education Workforce Housing: Complete planning and design phases for two education workforce housing projects and identify vacant or underutilized land for a third education workforce housing project by the end of the 2026 calendar year.</p>	<p>5c. Education Workforce Housing: Complete construction of two education workforce housing projects by the end of the 2028 calendar year and enter the planning phase for a third project.</p>
<p>Laying an Operational Foundation</p>	<p>3d. Legal and Organizational Framework: Complete the creation of SFA’s legal framework, including essential statutory revisions, procurement mechanisms, a governance structure, major contracts, and internal processes and protocols by the end of the 2024 calendar year.</p> <p>3e. Sustainable Financing and Public-Private Partnership Model: Complete the development of systems that will maximize the value of state lands while using sustainable financing methods and public-private partnership models tailored to the needs of the public education system by the end of the 2026 calendar year.</p> <p>3f. Community Engagement: Establish a process to create a solid base of stakeholders and community members through communication, engagement, and transparency for each project by the end of the 2024 calendar year.</p>	

Exhibit B

**Full Report of the School Facilities Authority's Mission, Vision, Key Strategies,
Areas of Focus, 3-Year Goals, and 5-Year Goals**

School Facilities Authority

2024–2028 Areas
of Focus and Goals

NOVEMBER 2023 REPORT



**SCHOOL
FACILITIES
AUTHORITY**



Board Members

Alan Oshima, Chairperson
Edmund Aczon
Harold Edwards
Jan Iwase
Bettina Mehnert

Executive Director

Chad K. Farias



SFA would like to thank everyone that contributed to the development of this report and the creation of SFA. This work spans decades and is the result of the contributions of many unnamed individuals. SFA would like to extend a special thanks to L. Candy Suiso for serving as a SFA Board Member. SFA would also like to thank the Hawaii Institute for Public Affairs (HIPA) for its decades of policy development of the 21st century school framework and assistance in creating this report.



Table of Contents

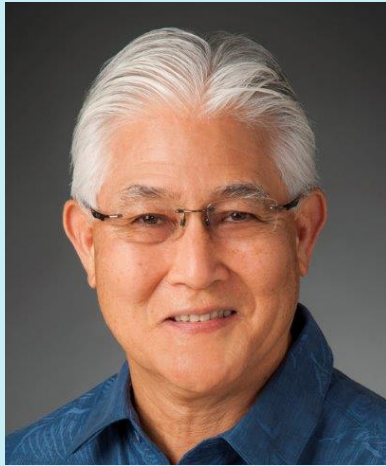
- I. Message from the Chairperson & Executive Director | p.3**
- II. Executive Summary | p.4**
School Facilities Authority 2024-2028 Areas of Focus and Goals
- III. Purpose of the Report | p.5**
- IV. Establishment of the School Facilities Authority | p.6**
- V. About Hawaii's Public Schools | p.7**
- VI. Areas of Focus and Goals | p.8**
 - a. Expanding Inspiring Learning Spaces
 - i. Pre-Kindergarten and Ready Keiki
 - ii. 21st Century Schools
 - 1. Background & Origins of 21st Century Schools
 - 2. Definition & Characteristics of 21st Century Schools
 - b. Spearheading Workforce Housing Solutions
 - c. Laying an Operational Foundation
- VII. Key Strategies | p.15**
- VIII. Closing Thoughts | p.20**
- IX. Contacting the School Facilities Authority | p.20**

Appendix A: Listing of Stakeholders

Appendix B: Summary of Building Arizona's 21st Century Schools

Appendix C: Endnotes

I. Message from the Chairperson & Executive Director



Alan Oshima
Chairperson



Chad Keone Farias
Executive Director

We are honored to be able to share the School Facilities Authority's (SFA) inaugural strategic document, its 2024-2028 Areas of Focus and Goals, outlining SFA's mission, vision, key strategies, and ambitious goals for the next five years. While SFA is a new agency, it has a rich history because its origins are rooted in discussions about 21st century schools, which have been discussed for many years in Hawaii. SFA is in its beginning stage, in its fourth year of existence, and it has had staff for less than two years.

During this short time, it has had some early successes, partnering with the Office of the Lieutenant Governor, the Hawaii State Department of Education (HIDOE), Hawaii State Executive Office on Early Learning (EOEL) to reach the Ready Keiki initiative's 2023 goal to successfully renovate 11 prekindergarten classrooms and is on track reach the initiative's 2024 goal of renovating 44 pre-kindergarten classrooms for the 2024-2025 school year. SFA has also found innovative ways to co-locate early learning spaces with compatible uses, like graduate student housing on the University of Hawaii at Manoa campus.

Over the next couple of years, SFA will focus on building a strong organizational and operational foundation and staffing base while continuing to make progress on pre-kindergarten spaces, 21st century schools, and education workforce housing. We are excited about the future and what SFA can accomplish in partnership with all of its public education partners, HIDOE, EOEL, the Hawaii State Public Charter School Commission, the Hawaii State Public Library System, and Hawaii Teacher Standards Board.

E ho'omaka kākou. Let's get started!

II. Executive Summary

School Facilities Authority 2024–2028 Areas of Focus and Goals

Mission: The School Facilities Authority expeditiously creates modernized learning and living environments for Hawaii’s public education system by using innovative partnership models, applying sustainable financing strategies, engaging the community in the development process, and partnering with the Hawaii State Department of Education and its attached agencies.

Vision: The School Facilities Authority envisions Hawaii’s public education system providing all students access to inspiring, purpose-built, and culturally responsive learning environments and providing readily available workforce housing to the individuals essential to the success of Hawaii’s public schools.

Key Strategies:

1. Engage students, stakeholders, and the community
2. Use vacant or underutilized public school lands to maximize impact
3. Use public-private partnerships to leverage expertise and resources
4. Develop a comprehensive land use plan for project areas
5. Develop a sustainable financing plan and strategy that benefits the State

Areas of Focus:	3-Year Goals:	5-Year Goals:
<p>Expanding Inspiring Learning Spaces</p>	<p>3a. Pre-K: Renovating or constructing 143 pre-kindergarten classrooms by the end of the 2026 calendar year, including at least two innovative facilities incorporating features beyond basic classroom design.</p> <p>3b. New Schools: Initiate design phase for two schools using SFA Board adopted 21st century schools guidelines and identify a third school by the end of the 2026 calendar year.</p>	<p>5a. Pre-K: Renovating or constructing 231 pre-kindergarten classrooms by the end of the 2028 calendar year, including at least four innovative facilities incorporating features beyond basic classroom design.</p> <p>5b. New Schools: Initiate construction phase for two schools using SFA Board adopted 21st century schools guidelines and have a third school in the design and planning stage by the end of the 2028 calendar year.</p>
<p>Spearheading Housing Solutions</p>	<p>3c. Education Workforce Housing: Complete planning and design phases for two education workforce housing projects and identify vacant or underutilized land for a third education workforce housing project by the end of the 2026 calendar year.</p>	<p>5c. Education Workforce Housing: Complete construction of two education workforce housing projects by the end of the 2028 calendar year and enter the planning phase for a third project.</p>
<p>Laying an Operational Foundation</p>	<p>3d. Legal and Organizational Framework: Complete the creation of SFA’s legal framework, including essential statutory revisions, procurement mechanisms, a governance structure, major contracts, and internal processes and protocols by the end of the 2024 calendar year.</p> <p>3e. Sustainable Financing and Public-Private Partnership Model: Complete the development of systems that will maximize the value of state lands while using sustainable financing methods and public-private partnership models tailored to the needs of the public education system by the end of the 2026 calendar year.</p> <p>3f. Community Engagement: Establish a process to create a solid base of stakeholders and community members through communication, engagement, and transparency for each project by the end of the 2024 calendar year.</p>	

III. Purpose of the Report

The purpose of this report is to present the School Facilities Authority’s mission, vision, priorities, and goals it will need to achieve in the next three to five years in order to make substantial progress towards realizing its vision. SFA will share its vision for learning and living environments, describe the current landscape and status of Hawaii public schools, identify key stakeholders, and describe its goals and the key strategies it will use to reach these goals.

SFA will take three basic approaches:

- Be strategic, efficient, and equitable in improving and enhancing school facilities for all;
- Be bold and innovative--push the envelope; and
- Make decisions and implement plans expeditiously.

SFA has set milestones at the three-year mark and the five-year mark. Setting a three-year milestone aligns with the State’s fiscal biennium cycle. For example, at the end of the first year of the plan (2024), SFA can describe its accomplishments and will know what it will need to request at the 2025 Legislative Session for the 2025-2027 Fiscal Biennium. At the end of the third year of the plan (2026), SFA can describe its accomplishments and will know what it will need to request at the 2027 Legislative Session for the 2027-2029 Fiscal Biennium. Figure 1, below, lays out calendar years, fiscal years, fiscal biennium, SFA’s plan, and legislative sessions to show the relationships.

SFA will be reviewing its areas of focus and goals annually. SFA is still in its initial phase and its authority and the scope of its responsibilities is fluid. Because of this, SFA will need to ensure that its plan is correspondingly flexible and will need to review its areas of focus and goals frequently and adjust them accordingly.

SFA’s plan contains key strategies, goals, and metrics. Details on how SFA will implement the key strategies to reach the goals will be in two places, the Executive Director’s annual priorities and SFA work plans. The Executive Director will develop annual priorities, which will be approved by the SFA Board. These annual priorities should drive towards SFA’s three-year and five year goals. SFA will then develop work plans that will actualize the Executive Director’s annual priorities

This initial report demonstrates that SFA is in its start-up phase where it is hiring staff and establishing its organizational foundation. Details on SFA’s role in the public education system will become clearer as it moves forward and engages stakeholders and community leaders.

J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D

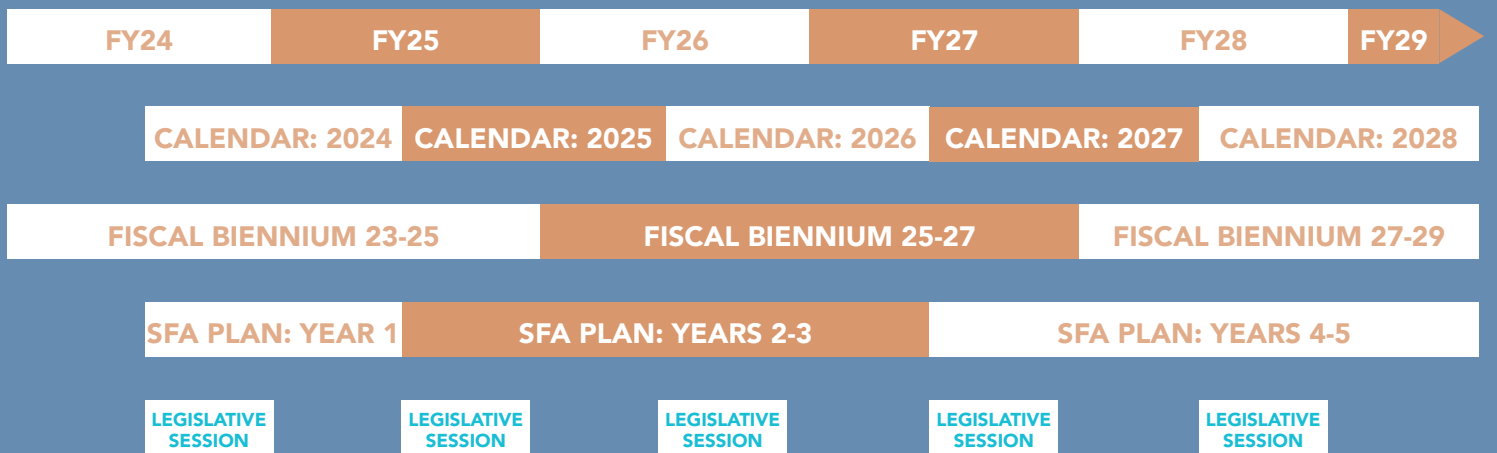


FIG. 1

IV. Establishment of the School Facilities Authority

Timeline



The School Facilities Authority is a very new agency that is only in its fourth year of existence. The Legislature created SFA in 2020¹, but it did not have staff or Board members in this first year. The following year, Board members were confirmed, but it did not have any funding or staff. In 2022 SFA's executive director was confirmed and SFA received funding to hire four staff members, which it did. It is now in its fourth year.

The Hawaii State Legislature (Legislature) established SFA in 2020. In the following year, the Legislature further clarified SFA's powers and responsibilities, which are as follows:

- Acquire or purchase real, personal, or mixed property or any interest;
- Own, hold title, sell, assign, exchange, transfer, convey, lease, or otherwise dispose of land;
- Acquire or reacquire by condemnation real, personal, or mixed property interests;
- Engage in public-private partnerships;
- Arrange or contract for planning and other services;
- Grant options to purchase any project or to renew leases;
- Contract for and accept gifts or grants in any form from any public agency or from any other sources; and
- Issue bonds for the purpose of financing.²

In 2022, the Legislature expanded SFA's authority to include the renovation and construction of pre-

kindergarten classrooms.³ In 2023, the Legislature further expanded SFA's scope of authority to include the creation of education workforce housing.⁴

In summary, the SFA's scope of authority now includes (1) construction of new school facilities; (2) renovation and construction of new pre-K classrooms; and (3) education workforce housing. To date, the Legislature has allocated to SFA \$30 million in capital improvement funds for the planning and design of a Central Maui elementary and middle school; \$50 million for education workforce housing; \$370.1 million for planning and design of a new high school in East Kapolei and a feasibility study; \$100,000 for planning in the Kaimuki area, and \$200 million for the renovation and construction of pre-kindergarten classrooms.

The SFA is led by a five-member board appointed by the Governor and an executive director appointed by the SFA Board.

SFA filled the four staff positions, which were funded in 2022.⁵ In 2023 it was allocated an additional eight positions, which it will work to fill by the end of the 2023 calendar year. Because SFA's authority is still developing and may change further, after establishing its 12 base positions, it will use independent contractors to cover any additional capacity needs not met by the 12 base positions. This model will ensure that SFA has the flexibility to respond to legislative assignments without needing to go through the process of creating and funding additional positions and then needing to redefine or eliminate the positions when no longer necessary.

V. About Hawaii's Public Schools

The Hawaii Department of Education (HIDOE) is the 11th largest school district in the nation, with 167,649 students, and over 22,100 salaried employees, including 12,610 teachers. In total, there are 295 public schools, including charter schools. Total General Fund appropriations to the HIDOE for FY 2022-23 was \$2.27 billion.⁶ School facilities include general and special education classrooms, administrative offices, library and computer centers, food service and cafeterias, physical education and athletic facilities, and specialty classrooms like band rooms.

As of 2017, HIDOE managed more than 20.7 million square feet of permanent educational and administrative facilities in 4,425 individual buildings, with an approximate replacement value of over \$7 billion. The average Hawaii public school is over 65 years old, with 53 buildings over 100 years old. Facilities more than 50 years old usually do not provide ideal learning environments because of a lack of air conditioning, strained electrical systems, inadequate internet access, and questionable safety and security. In 2017, portable structures made up 7.4% of the square footage.⁷

Hawaii's schools were well-planned and adequately constructed sixty years ago. HIDOE has done an admirable job extending the usable life of these structures, but much has changed over the last 60 years. There have been dramatic changes in instructional and student needs, education styles, and student populations, which has left capacity shortages in some areas and overcrowding in others.⁸

School design has also changed. Many Hawaii public schools are lateral, single- or two-story buildings on large tracts of land. New school campuses could be vertical and self-contained to make more efficient use of space, ensure security, and provide easier access to high-speed internet. From 1997 to 2007⁹, the average size of public schools constructed was:

- Elementary School – 12.5 acres
- Middle School – 16.5 acres
- High school – 49.0 acres

The large acreages used for public schools offer unique opportunities to use vacant or underused land to maximize impact.



VI. Areas of Focus and Goals

A. Expanding Inspiring Learning Spaces

i. Pre-Kindergarten and Ready Keiki

In 2020, the Legislature enacted Act 46 (SLH 2020), which established the goal to expand preschool access to all 3 and 4 year olds statewide by the year 2032.

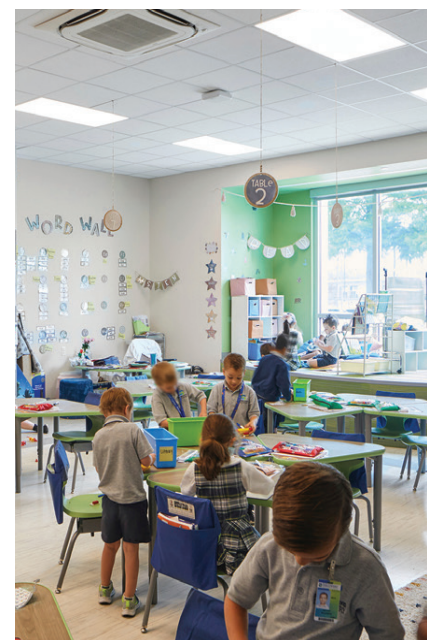
In 2022, the Legislature, pursuant to Act 257 (SLH 2022), expanded SFA's authority to include the renovation and construction of pre-kindergarten classrooms and designated \$200 million to build and renovate facilities to expand access to preschool. SFA was identified as a key player and was provided with these funds.

In January 2023, Lieutenant Governor Sylvia Luke launched the Ready Keiki initiative, a bold plan designed to achieve the goal set in Act 46 (SLH 2020), expanding access to all 3 and 4 year olds statewide. The plan will ensure that all Hawaii keiki (children) are ready for kindergarten, which sets them up for success and creates economic stability for Hawaii's families. The Ready Keiki initiative has created an ambitious goal of creating 406 classrooms statewide by 2032.¹⁰

Stakeholders agreed on a two-year schedule, opening 11 classrooms for the 2023-2024 school year

and 44 classrooms for the 2024-2025 school year. At the outset, HIDEOE proved to be an essential partner in pre-kindergarten classroom renovation efforts, providing knowledge and staffing support and, in essence, incubating SFA. SFA is now ready to take the lead but will continue to partner with HIDEOE and use economies of scale in its procurement process to benefit the state. With HIDEOE's assistance, SFA successfully hit the first milestone of opening the first 11 classrooms and is on track to hit the second milestone of 44 classrooms for the 2024-2025 school year.

Currently, SFA is focusing on classroom renovations, but it is looking to move out of this renovation phase as quickly as possible after addressing all eligible spaces in the HIDEOE and charter schools. SFA is going to transition to new builds and innovative childcare facilities, which speak to the core of its mission. It is in discussions to create childcare centers that have features like integration with the curriculum development process and co-location on high school campuses with teacher academies providing real-world experience to high school students.



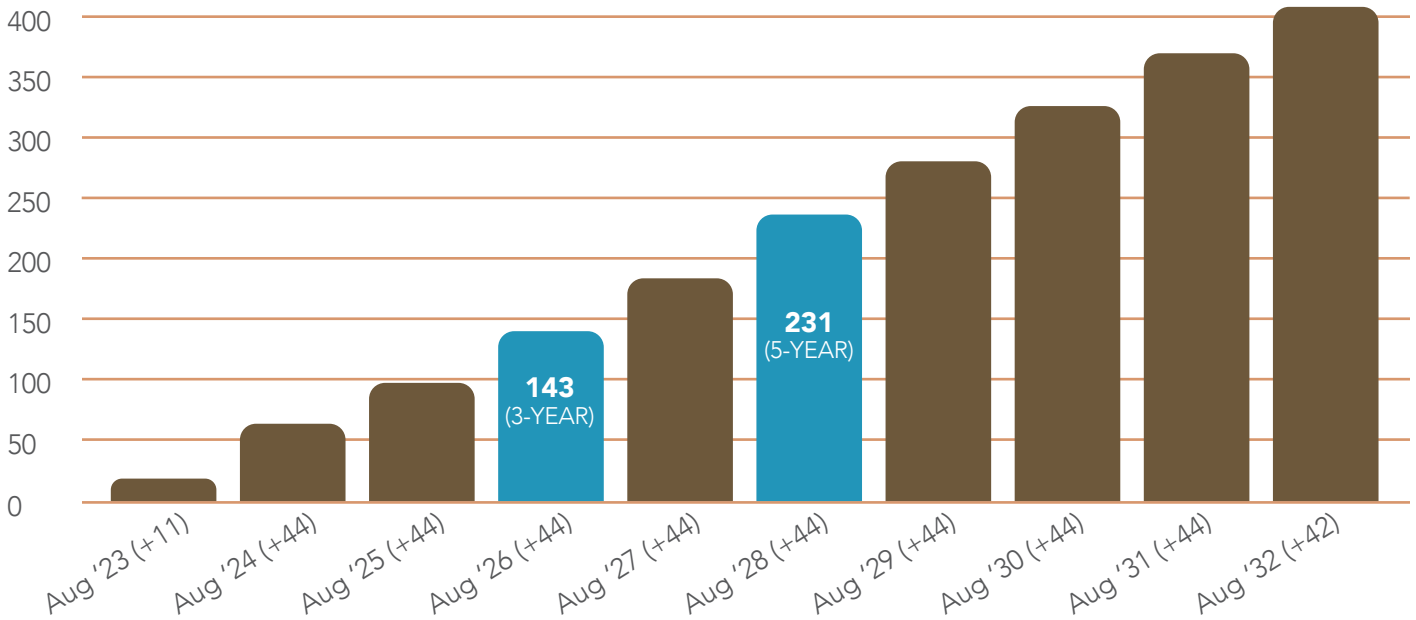
Photos: Learning by Design Magazine

VI. Areas of Focus and Goals

A. Expanding Inspiring Learning Spaces, *continued*

These goals are designed to keep on track with the Ready Keiki initiative’s goal of creating 405 classrooms by 2032. SFA would need to renovate or construct approximately 44 classrooms every year for the next nine years to achieve Ready Keiki’s goal. The three-year goal includes the 11 completed classrooms and 44 classrooms for three more school years, for a total of 143 classrooms. The five-year goal includes the 143 classrooms and then adds 44 classrooms for two more school years for a total of 231 classrooms.

Because SFA wants to start focusing on building innovative early learning spaces, included within this goal is the challenge for SFA to build at least two innovative early learning spaces within a three-year period and at least four innovative early learning spaces within a five-year period.



Three-year goal: Renovating or constructing **143** pre-kindergarten classrooms by the end of the 2026 calendar year, including at least two innovative facilities incorporating features beyond basic classroom design.



Five-year goal: Renovating or constructing **231** pre-kindergarten classrooms by the end of the 2028 calendar year, including at least two innovative facilities incorporating features beyond basic classroom design.

VI. Areas of Focus and Goals

A. Expanding Inspiring Learning Spaces, *continued*

ii. 21st Century Schools



1. Background and Origins of 21st Century Schools

School facilities have a significant impact on the overall school experience of students, teachers, and staff. Well-designed and maintained facilities and learning environments contribute to the academic and developmental success of students and the effectiveness of teachers and staff. For students, school facilities affect health, behavior, engagement, learning, and growth in achievement. For teachers, school facilities affect recruitment, retention, commitment, and effort.¹¹

School facilities, which includes the design and condition of schools and classrooms, as well as environmental conditions like classroom configurations, acoustics, temperature, and lighting, play an important role in how students and teachers feel about themselves and learn.¹²

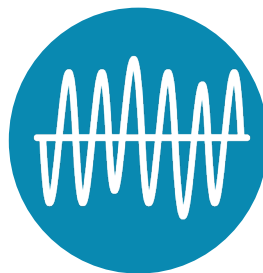
After nearly a decade of research, meetings, conferences, and policy studies initiated by the Hawai'i Institute for Public Affairs (HIPA), a nonprofit public policy institute, the Legislature, over a period of time, established SFA in 2020. SFA is responsible for building new 21st century schools for the students of Hawaii, among other things.



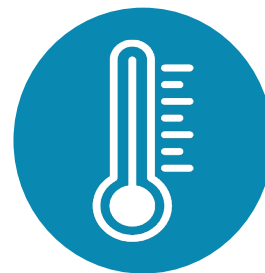
Design



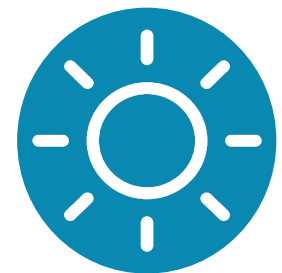
Condition



Acoustics



Temperature



Lighting

VI. Areas of Focus and Goals

A. Expanding Inspiring Learning Spaces, *continued*

2. Definition and Characteristics of a 21st Century School

Based on HIPA's research, evaluations, and convenings of a wide range of educators, parents, businesses, government entities, and labor leaders about school facilities, (see Appendix A, listing of stakeholders), SFA proposes the following definition and classroom characteristics of a 21st century school in Hawaii.

Definition

- 21st century schools are learning environments where students and teachers thrive. The school facilities instill pride, inspiration, and motivation to learn, develop, and grow among students, teachers, staff, and in the community.
- 21st century schools support a wide range of personal learning styles and instructional modalities like differentiated instruction, cooperative and project-based learning, multiple pathways, and other educational strategies.
- 21st century schools provide for innovative and effective use of land, enhanced school security, facilities for early childhood programs, collaborative learning spaces,

access to technology, and the ability to co-locate both education and community environments and needs.

Classroom Characteristics

- Flexibility of furniture and space
- Areas for collaborative learning and independent study
- Facilitation of movement
- Fostering of inspiration and creativity
- Technology*
- Light and color
- Comfort and safety

Ultimately, the SFA Board will need to adopt a policy or guidance regarding what a 21st century school in Hawaii is, but this report provides information and research on the topic to assist SFA with that effort.

Over the last two sessions, the Hawaii State Legislature allocated \$30 million to SFA to use for design and planning a Central Maui elementary and middle school.¹³ Because no site has been identified for the new school, SFA must gather and



The Heights Building in Arlington, Virginia. Image by MIR



Ecopolis Plaza / Ecosistema Urbano Madrid, Spain

* See Appendix B for Summary of Building Arizona's 21st Century Schools for a more elaborate discussion on school facilities in the digital age.

VI. Areas of Focus and Goals

A. Expanding Inspiring Learning Spaces, *continued*

analyze data for the Central Maui area to establish the optimal location for a new school. This includes enrollment data, population data, and projected developments. Once SFA uses data to establish an optimal location, it must then find a site, get the Legislature to allocate funds for the site, and acquire the site.

Over the last two sessions, the Legislature allocated \$370 million to SFA to use for the planning, design, and construction of a new high school in East Kapolei.¹⁴ In 2022, the Legislature also allocated \$100,000 to SFA to plan and design a study of leveraging potential funding sources, like a United States Department of Agriculture Rural Development grant.¹⁷ SFA is in the process of obtaining a consultant to conduct this study. Because the Legislature also provided funds to HIDOE for planning and design, SFA must work with HIDOE to establish processes and protocols to either transfer any completed work or partner on the completion of this project. Since this is the first time that both parties will be working on an existing project, HIDOE and SFA will need to establish a clear understanding and processes to guide this complex endeavor.

The Legislature also allocated \$100,000 to SFA for planning in the Kaimuki area. At this point, it is unclear whether Kaimuki will be the location of a new school, but it is one of the areas that SFA is studying.

The goals SFA has set for itself are ambitious, given the time that it typically takes to construct a school and given that of the projects it has, one HIDOE does not have an identified site yet.



Three-year goal: Initiate *design phase* for two schools using SFA Board adopted 21st century schools guidelines and identify a third school by the end of the 2026 calendar year.



Five-year goal: Initiate *construction phase* for two schools using SFA Board adopted 21st century schools guidelines and have a third school in the design and planning stage by the end of the 2028 calendar year.



VI. Areas of Focus and Goals

B. Spearheading Workforce Housing Solutions

Education workforce housing is the newest area of focus for SFA, which was just added a few months ago. In 2023, the Legislature expanded SFA’s scope of authority to include the creation of housing prioritized for teachers, educators, and staff.¹⁶ SFA was appropriated \$50 million in funds for educator workforce housing and was instructed to use these funds for housing on the campuses of Nanakuli, Waipahu, and Mililani High School and in the Koolau-poko area. The funds can also be used for projects in Maui, Kauai, and Hawaii County; school campuses or areas were not specified for the other counties.

SFA plans to release a Requests for Proposals or Request for Qualifications for two projects, one by the end of 2023 and the other at the beginning of 2024. If SFA receives attractive responses to these initial requests, it should be on track to meet its ambitious goal of completing construction by the end of the 2028 calendar year.



Three-year goal: Complete *planning and design* phases for two education workforce housing projects by the end of the 2026 calendar year.



Five-year goal: Complete *construction* of two education workforce housing projects by the end of the 2028 calendar year and enter the *planning* phase for a third project.

VI. Areas of Focus and Goals

C. Laying an Operational Foundation

Because SFA is in its start-up phase, it has a lot of work to do in this area, including setting up a legal and organizational framework, creating systems for sustainable financing and public-private partnerships, and starting to build the foundation for strong community engagement.

SFA must set up its legal and organizational framework to ensure that it is operating in compliance with law. This includes the basic elements every agency must have, such as a governance structure and internal processes and protocols. SFA will also need to analyze statutes, rules, and policies to determine whether amendments are necessary to institute things like using less acreage for schools or co-locating elementary, middle, and high schools. Additionally, SFA is designed to have multiple partners, both public and private, which requires it to enter into many contracts and agreements, all of which must be established for SFA to fulfill its responsibilities.

SFA is also going to develop systems to encourage sustainable financing methods and public-private partnership models tailored to the needs of the public education system. SFA will explore sustainable financing mechanisms, including those described in Key Strategy #5, Develop a Sustainable Financing Plan and Strategy that Benefits the State (including taxes, business incentives, municipal bonds, and loan guarantees) and look at other funding sources, such as federal funds and grants, and building revenue streams into projects so that the State receives funds in addition to the benefit of the improvements. These systems should guide SFA's work and help it to communicate with the public. These systems will likely require administrative rules, which generally take one to two years to promulgate.

Communication, community engagement, and transparency are essential to the success of every project that SFA will work on. SFA must start investing in public trust by taking small steps to communicate regularly with essential stakeholders. It should engage with partners and stakeholders with strong community ties to ensure the community is engaged. SFA should ensure that all of its actions and decisions are transparent so the public

can weigh in on them well in advance. Ensuring these three things should lessen things that delay projects, such as objections at the beginning of the construction phase.

Because this work is foundational to the rest of SFA's work, it is front-loaded and is scheduled to be completed in the first two years of the plan.

Three-year goals:



Legal and Organizational Framework:

Complete the creation of SFA's legal framework, including essential statutory revisions, procurement mechanisms, major contracts, and internal processes and protocols by the end of the 2024 calendar year.



Sustainable Financing and Public-Private Partnership Model:

Complete the development of systems that will maximize the value of state lands, while using sustainable financing methods and public-private partnership models tailored to the needs of the public education system by the end of the 2026 calendar year.



Community Engagement:

Establish a baseline process to create a solid base of stakeholders and community members through communication, engagement, and transparency for each project by the end of the 2024 calendar year.

VII. Key Strategies

This portion of the report outlines the key strategies SFA should use to achieve its mission to modernize Hawaii’s public schools. This is a strategic and integrated approach for the planning, design, coordination, and financing of new school construction.

School improvements must be viewed in totality to ensure a fair, equitable, and rational approach for all students. For example, if urban schools

may provide better commercial opportunities for joint development of school facilities with private entities, how does SFA improve schools in rural and low-income neighborhoods? Do development proceeds from one school get used in just that school or are they distributed or allocated to other areas? These equity and development issues and more should be considered in SFA’s planning process.

Key Strategy #1

Engage Students, Stakeholders, and the Community

Community-based planning and policy development is essential to ensure that 21st Century Schools are compatible with the surrounding community. Teachers, students, community residents and other stakeholders need to play a meaningful role in the planning, design, and continued partnership between school and community. Without community engagement, opportunities to integrate learning, community support, and partnerships for students could be lost.



Video: Chad Keone Farias, head of School Facilities Authority, joins ‘Spotlight Hawaii’



VII. Key Strategies, *continued*

Key Strategy #2

Use Vacant or Underutilized Public-School Lands to Maximize Impact

Hawaii is likely unable to completely modernize and rebuild its aging school facilities or create substantial workforce housing using state general fund dollars alone. While monetary appropriations are limited, the State owns valuable land, which can be leveraged to fund construction.

Many school campuses and other state properties are situated in financial districts, close to commercial centers, along the Honolulu Area Rapid Transit Authority (HART) Skyline rail transit corridor, and in desirable residential areas – collectively worth billions of dollars if developed appropriately.

With the average size of elementary, middle, and high schools being 12.5 acres, 16.5 acres, and 49 acres respectively, SFA has a unique opportunity to better use state lands.

The essence of this approach is to leverage underutilized or vacant public-school or state lands in ways consistent with the educational and community needs. Joint-use, lease-backs, land swaps, ground leases, and other uses provide unique opportunities to maximize the impact of these lands. For example:

- Public school lands can be leased at minimal cost to Developer X for commercial or other purposes that are compatible with the school and surrounding community. In return, Developer X builds a new 21st century school and provides a portion of its lease proceeds to the SFA for further school development throughout the state.
- Developer Z builds a new vertically-designed 21st century school at no or minimal cost to the SFA and occupies a portion of the premises for commercial, residential, or other compatible use.

A new school facility also provides opportunities to co-locate various school campuses on a single parcel, freeing lands for additional educational, commercial, and other purposes. Hawaii elementary, middle, and high schools are often on separate campuses just blocks from each other, requiring duplicate operational services. Cafeteria, administration, maintenance, and classroom buildings, as well as auditoriums, sports facilities, and performance halls could be jointly used. Co-location of services and facilities can reduce operational costs and maximize use of public school lands for other efficient and revenue-generating purposes.



VII. Key Strategies, *continued*

Key Strategy #3

Use Public-Private Partnerships to Leverage Expertise and Resources

Public education does not need to be solely financed and supported by government. The private sector, with its resources and expertise, can play an integral part in enhancing public education while providing profitable opportunities for the private sector. Public-private partnerships (PPP) should be used, encouraged, and incentivized.

The U.S. Department of Defense (DOD), for example, has pioneered public-private partnership efforts in Hawaii and throughout the country. In 1996, Congress established the Military Housing Privatization Initiative (MHPI) as a vehicle to develop and improve housing for service members in Hawaii. Under the MHPI, DOD worked with the private sector to revitalize military family housing through a variety of financial tools: direct loans, loan guarantees, equity investments, and the conveyance or leasing of land, housing, and other facilities.¹⁷

The project resulted in the private development of 14,948 new and renovated military housing units for Hawaii's Army, Air Force, and Navy/Marine personnel, with private entities managing and maintaining these units for 50 years. A similar

approach to building and maintaining public schools and education workforce housing can also be applied by leveraging public lands and entering into public-private financing mechanisms.

Public-private partnerships offer unique opportunities to combine public and private resources and expertise in a wide variety of areas:

- School construction and design expertise by the private sector;
- Combined financial strength of the public and private sectors;
- Risk sharing and allocation between the parties;
- Reduced reliance and responsibility on government spending; and
- Faster project completion.

However, PPPs must be managed appropriately to ensure accountability and transparency to the government and general public. Compensation, costing, accounting, performance, and profits must be clearly spelled out for both parties with strong oversight, accountability, and transparency.



VII. Key Strategies, *continued*

Key Strategy #4

Develop a Comprehensive Land Use Plan for Project Areas



Among the 295 public schools, not all lands are developable. Also, not all communities and neighborhoods need a new school. The Legislature has assigned SFA projects in areas like Kaimuki, Central Maui, and East Kapolei. A comprehensive land use plan for each project area is needed to identify school facility and student needs and identify public school lands that can be used for educational, commercial, and other purposes. With the SFA's expanded authority to build Pre-K classrooms and education workforce housing, the SFA must also consider the use of lands for those

purposes as well.

A comprehensive land use plan will ensure that SFA's actions are strategic, methodical, and cost-effective while advancing its overall mission. The planning process also ensures that educators, developers, landowners, and community residents have input in the future of their schools and communities. Collaborating with the HDOE is essential in identifying new school construction sites as well as co-locating and use of existing school sites for varying land uses.

VII. Key Strategies, *continued*

Key Strategy #5

Develop a Sustainable Financing Plan and Strategy that Benefits the State

A basic element is to develop sustained funding strategies and mechanisms. Without adequate financial resources, the school facilities plan will fail. Careful attention and emphasis must be placed on the development of a funding and financing approach using a wide array of mechanisms. These could include taxes, business incentives, municipal bonds, loan guarantees, and others to maximize opportunities created by leveraging public assets and using public-private partnerships.

As part of a systemic plan, the following financing tools should be considered:

- Financing and long-term debt measures which can be used for public school construction;
- Collateralizing the value of vacant and underutilized land as part of a financial model;
- Using CIP appropriations as principal for issuance of revenue bonds for funding of large long-term projects;
- Leasing high-value parcels as a revenue stream for school construction loans or bonds; and
- Providing tax incentives for financing and developing new school construction.

These alternatives can vary based on the location of the project. However, a comprehensive financial strategy is required because piecemeal funding is not a viable approach to ensuring quality facilities for all students.



VIII. Closing Thoughts

SFA has an exciting future, but exactly what this future will look like is unclear because its book is still being written. It will be important for SFA, the Governor, Lieutenant Governor, the Legislature, HIDOE, and other stakeholders to continue conversations about SFA's priorities and areas of focus to ensure SFA is delivering the most value.



IX. Contacting the School Facilities Authority

School Facilities Authority
75 Aupuni Street
Hilo, Hawaii 96720
Email: info@hisfa.org
Website: <https://www.hisfa.org/>

Appendix

A) HIPA-Led School Facilities Authority Stakeholder Engagements (Partial Listing)

Convenings

*21st Century Schools Summit at the John A. Burns School of Medicine – 2012 (approximately 125 attendees)

*Stakeholder Update at Bank of Hawaii – 2019 (Approximately 85 attendees)

Between 2010 and 2023

Office of the Governor (Abercrombie, Ige)

Mayor Kirk Caldwell

Hawaii State Legislature (Various members)

Hawaii BOE (Moore, Horner) & HIDOE (Kishimoto, Matayoshi) & Staff

Executive Office of Early Learning

Hawaii State Teachers Association

Pacific Resource Partnership

Hawaii Carpenters Union

Hui for Excellence in Education

Public Schools Foundation of Hawaii

Omidyar Foundation

Ford Foundation

The Learning Coalition

Bank of Hawaii

Hawaiian Electric Industries

Kamehameha Schools

Governor Roy Romer / LAUSD Superintendent of Education

The Halston Group

Jones Lang Lasalle

21st Century School Fund

Association for Learning Environments

Concordia LLC

BrainSpaces / Amy Yurko

Forest City

Balfour Beatty Construction

LA Unified School District

New York City Department of Education

Colorado Community Land Trust

Denver Public Schools

Bellevue Public Schools

South San Antonio Independent School District

Arizona Land & Water Trust

Morgan Stanley

Goldman Sachs

JP Morgan

RBC Capital Markets

Bank of America

BMO Capital Markets

Barclays

Katten Muchin Rosenman LLP

B) Summary of Building Arizona's 21st Century Schools

Ensuring Innovative School Facilities for the Digital Age
Arizona School Facilities Board, September 2007

In 2007, Janet Napolitano, Arizona's then governor (who would later be president of the University of California among other jobs), issued an executive order that led to creation of a report by the Arizona School Facilities Board entitled, "Building Arizona's 21st Century Schools: Ensuring Innovative School Facilities for the Digital Age."

While a decade and a half have passed, and Arizona is very different in many respects from Hawaii, a selection of the conclusions are an excellent place to start thinking about 21st century schools.

- The report noted that all Arizona schools should have "high-speed broadband access to the internet and sufficient broadband capacity and capability to support a digital learning environment."
- Each school site and building would have local area network and all walls of every classroom should have sufficient electric power outlets and equipment for sound amplification as well as lighting controlled and adjustable for different needs.
- Each school should have wireless and hardwired infrastructure meeting the latest Institute of Electrical and Electronic Engineers (IEEE) standard.
- Classrooms for kindergarten through third grade should have one computer for every three students and from grade four on one computer for every student.
- All classroom should have computer-based presentation capabilities such as a ceiling mounted digital projector wirelessly connected to the teachers' lap top, preferably able to point in any direction. There should also be presentation wall boards in tandem with an interactive white board and moveable projection screen.
- Particularly at the secondary level, different sized schools should be included within a district (and

Appendix

perhaps even within the same physical facility) so parents and students could have choices for size of schools and specialized education such as arts/performance, agriculture, science, technology, digital media, and so, .

- The report envisioned close cooperation with Arizona’s universities as well as the private business and philanthropy sector. Ideas such as a school design competition in the categories elementary, middle and secondary schools would not only bring creative minds to the project but generate public attention and involvement.
- An annual awards program administered by the School Facilities Board would highlight innovate designs for quality personalized learning environment. Post-occupancy evaluations after a year of use for the new and upgraded facilities were suggested.
- Classroom sizes were to be sufficient to comfortably allow spontaneous reconfiguration into group break out areas. Each classroom should have at least one window to the outside so daylight could augment minimum lighting standards. Lighting in each classroom should be flexible with multiple levels to isolate areas for “breakout areas, activity zones or flex spaces.”
- The report suggested outdoor areas suitable for instruction and informal learning, specified at a minimum of 3 sq. ft. per student.
- In addition to meeting LEED design criteria, schools should have computerized management controls for all energy and other resource consuming systems and an array of “green” facilities— like water conserving plumbing, waterless urinals, tree-shaded walkways, drip or sub-surface irrigation systems and so on -- that teachers could also use for hands-on environmental learning, as well such for optimal efficiency and performance.
- High tech security specifications were detailed, including redundant 911 communications systems for “reliability during any emergency situation or condition.” Perimeter fencing, security cameras and alarms and in-classroom telephones were considered essential.

The 75-page report, including two pages of references and case studies, has many more specifications and recommendations, as well as a report on a Building 21st Century Schools Symposium, sponsored by the Arizona School Facilities Board and the Arizona Association of

School Business Officials.

C) Endnotes

¹ Act 72, SLH 2020, available at: https://www.capitol.hawaii.gov/slh/Years/SLH2020/SLH2020_Act72.pdf

² Act 217, SLH 2021, available at: https://www.capitol.hawaii.gov/slh/Years/SLH2021/SLH2021_Act217.pdf

³ Act 257, SLH 2022, available at: https://www.capitol.hawaii.gov/slh/Years/SLH2022/SLH2022_Act257.pdf

⁴ Act 172, SLH 2023, available at: https://www.capitol.hawaii.gov/sessions/session2023/bills/GM1275_.PDF

⁵ In 2020, the Legislature established seven full-time administrative positions in SFA (Act 72, SLH 2020, Section 5, available at: https://www.capitol.hawaii.gov/sessions/session2020/bills/GM1177_.PDF), but these positions were unfunded. In 2022, the Legislature provided funding for four full-time administrative positions. See 2022 session budget worksheets available at: <https://www.capitol.hawaii.gov/sessions/session2022/worksheets/EXEC%20HB1600%20HD1%20SD2%20CD1%20WORKSHEETS.pdf>

⁶ Hawaii Department of Education Media Kit, as of 10/9/2023, available at: <https://www.hawaiipublicschools.org/ConnectWithUs/MediaRoom/MediaKit/Pages/home.aspx>

⁷ Hawaii Department of Education, School Facilities Capital Assessment, February 2017

⁸ Hawaii Department of Education, Statewide Facility Master Plan Final Report, 2019

⁹ Referenced in HRS Sec. 302A-1602, available at: https://www.capitol.hawaii.gov/hrscurrent/Vol05_Ch0261-0319/HRS0302A/HRS_0302A-1602.htm

¹⁰ The Ready Keiki initiative originally projected 465 classrooms would be needed statewide by 2032. Based on updated census data, as of September 2023, this number has been revised to 405 classrooms.

¹¹ Center for Evaluation and Education Policy Analysis, The Importance of School Facilities in Improving Student Outcomes, Penn State University, 2016.

¹² Center for Evaluation and Education Policy Analysis, The Importance of School Facilities in Improving Student Outcomes, Penn State University, 2016.

¹³ In 2022, the Hawaii State Legislature allocated \$20 million to the SFA to plan and design a Central Maui elementary and middle school (Act 248, SLH 2022, Item 97.01, available at: https://www.capitol.hawaii.gov/slh/Years/SLH2022/SLH2022_Act248.pdf). In 2023, the Hawaii State Legislature allocated \$10 million to SFA for planning, design, and construction of a new elementary and middle school in Central Maui (Act 164, SLH 2023, Item 120, available at: https://www.capitol.hawaii.gov/sessions/session2023/bills/GM1267_.PDF).

¹⁴ In 2022, the Hawaii State Legislature allocated \$355 million to SFA to plan, design, and construct a new high school in East Kapolei (Act 248, SLH 2022, Item 97.02, available at: https://www.capitol.hawaii.gov/slh/Years/SLH2022/SLH2022_Act248.pdf). In 2023, the Hawaii State Legislature allocated \$15 million to SFA to plan, design, and construct a new high school in East Kapolei (Act 164, SLH 2023, Item 118, available at: https://www.capitol.hawaii.gov/sessions/session2023/bills/GM1267_.PDF).

¹⁵ Act 248, SLH 2022, Item 97.03, available at: https://www.capitol.hawaii.gov/slh/Years/SLH2022/SLH2022_Act248.pdf.

¹⁶ Act 172, SLH 2023, available at: https://www.capitol.hawaii.gov/sessions/session2023/bills/GM1275_.PDF.

¹⁷ Office of the Deputy Under Secretary of Defense, Installations and Environment, Military Housing Privatization, <https://www.acq.osd.mil/eie/index.html>.



*Report design by Kelly McHugh-White, Little Rhinoceros LLC
for the School Facilities Authority | November 2023*



School Facilities Authority

2024-2028 Areas of Focus and Goals



Format

Areas of Focus and Goals versus Strategic Plan

Flexible

Goal Oriented

Format

Summary Sheet

Report

Timeline

J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D

FY24

FY25

FY26

FY27

FY28

FY29

CALENDAR: 2024

CALENDAR: 2025

CALENDAR: 2026

CALENDAR: 2027

CALENDAR: 2028

FISCAL BIENNIUM 23-25

FISCAL BIENNIUM 25-27

FISCAL BIENNIUM 27-29

SFA PLAN: YEAR 1

SFA PLAN: YEARS 2-3

SFA PLAN: YEARS 4-5

LEGISLATIVE
SESSION

LEGISLATIVE
SESSION

LEGISLATIVE
SESSION

LEGISLATIVE
SESSION

LEGISLATIVE
SESSION

Vision

The School Facilities Authority envisions Hawaii's public education system providing all students access to inspiring, purpose-built, and culturally responsive learning environments and providing readily available workforce housing to the individuals essential to the success of Hawaii's public schools.

Mission

The School Facilities Authority expeditiously creates modernized learning and living environments for Hawaii's public education system by using innovative partnership models, applying sustainable financing strategies, engaging the community in the development process, and partnering with the Hawaii State Department of Education and its attached agencies.

Key Strategies

1. Engage students, stakeholders, and the community
2. Use vacant or underutilized public school lands to maximize impact
3. Use public-private partnerships to leverage expertise and resources
4. Develop a comprehensive land use plan for project areas
5. Develop a sustainable financing plan and strategy that benefits the State

Areas of Focus

Expanding
Inspiring
Learning
Spaces

Spearheading
Housing
Solutions

Laying an
Operational
Foundation

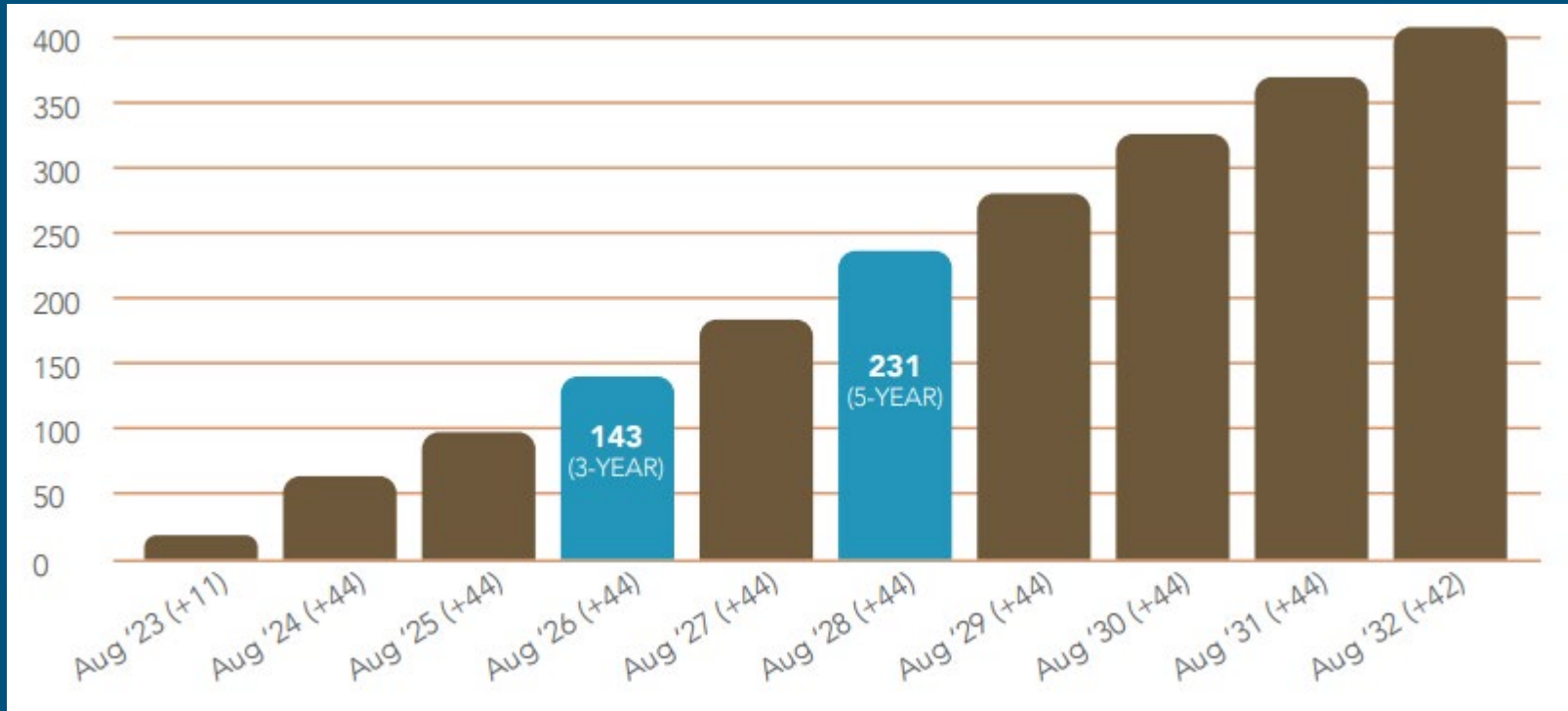
Three -Year Goals

Expanding Inspiring Learning Spaces

3a. Pre-K: Renovating or constructing 143 prekindergarten classrooms by the end of the 2026 calendar year, including at least two innovative facilities incorporating features beyond basic classroom design.

3b. New Schools: Initiate design phase for two schools using SFA Board adopted 21st century schools guidelines and identify a third school by the end of the 2026 calendar year.

Pre-K Classrooms



Three-Year Goals

Spearheading Housing Solutions

3c. Education Workforce Housing: Complete planning and design phases for two education workforce housing projects and identify vacant or underutilized land for a third education workforce housing project by the end of the 2026 calendar year.

Three -Year Goals

Laying an Operational Foundation

3d. Legal and Organizational Framework: Complete the creation of SFA's legal framework, including essential statutory revisions, procurement mechanisms, a governance structure, major contracts, and internal processes and protocols by the end of the 2024 calendar year.

3e. Sustainable Financing and Public-Private Partnership Model: Complete the development of systems that will maximize the value of state lands while using sustainable financing methods and public private partnership models tailored to the needs of the public education system by the end of the 2026 calendar year.

3f. Community Engagement: Establish a process to create a solid base of stakeholders and community members through communication, engagement, and transparency for each project by the end of the 2024 calendar year.

Five-Year Goals

Expanding Inspiring Learning Spaces

3a. Pre-K: Renovating or constructing 231 prekindergarten classrooms by the end of the 2028 calendar year, including at least four innovative facilities incorporating features beyond basic classroom design.

3b. New Schools: Initiate construction phase for two schools using SFA Board adopted 21st century schools guidelines and have a third school in the design and planning stage by the end of the 2028 calendar year.

Five-Year Goals

Spearheading Housing Solutions

3c. Education Workforce Housing: Complete construction of two education workforce housing projects by the end of the 2028 calendar year and enter the planning phase for a third project.