

SCHOOL FACILITIES AUTHORITY BOARD

MEETING MINUTES

Date: December 12, 2023

Time: 1:00 p.m.

Teleconference via Zoom

Queen Liliuokalani Building

1390 Miller Street, Room 404

Honolulu, Hawaii 96813

*\*This meeting was a remote meeting under Section 92-3.7, Hawaii Revised Statutes. The meeting recording is available on our website at <https://www.hisfa.org/board-meetings/>*

**Members Present:**

Alan Oshima, Chairperson

Edmund Aczon

Harold Edwards

Jan Iwase

Bettina Mehnert

**Staff Present:**

Chad Keone Farias, Executive Director

Alison Kunishige, Deputy Executive Director

Cindy Watarida, Business Manager

Kenyon Tam, Policy and Program Officer

Wilmurf de Vera, Project Manager

Jiaping Fouse, Project Manager

**AGENDA**

**I. Call to Order**

Chairperson Alan Oshima called the meeting to order at 1:00 p.m.

**II. Roll Call and Determination of a Quorum**

Chairperson Oshima and Members Edmund Aczon, Harold Edwards, Jan Iwase, and Bettina Mehnert were present at roll call. Quorum was established.

**III. Approval of Meeting Minutes of November 16, 2023**

**Motion: Move to approve the November 16, 2023 meeting minutes (Aczon/Mehnert). 5 Ayes (Oshima, Aczon, Edwards, Iwase, Mehnert), 0 Nos, 0 Abstentions. Motion carries; minutes are approved.**

#### **IV. Public Testimony**

There was no public testimony.

#### **V. Report of the School Facilities Authority Executive Director**

##### **A. Update on Expanding Pre-Kindergarten Access, New Schools, Education Workforce Housing, and FY25 Supplemental Budget Requests**

##### **1. Expanding Pre-Kindergarten Access. Executive Director (ED) Chad Farias reported on the following:**

- a) ED Farias reported that SFA has identified 45 classrooms for renovations.
- b) ED Farias reported that SFA and the Executive Office on Early Learning (EOEL) set an internal goal to identify the classrooms and school campuses by the end of the 2023 calendar year. He explained that this internal goal aligns with the Teacher Assignment and Transfer Program (TATP) timeline which EOEL must follow when working to hire 44 teachers for the classrooms that SFA is renovating. ED Farias elaborated that meeting this internal goal also gives EOEL time for school principals to complete EOEL's onboarding process and prepare financial and academic plans incorporating the pre-kindergarten classrooms into their campuses.
- c) ED Farias reported that the School Facilities Authority (SFA) identified five additional classrooms since last month, bringing the total to 45 classrooms identified for renovations.
- d) ED Farias reported that SFA completed renovations of two pre-kindergarten classrooms at Nanakuli Elementary School. He explained that one of the classrooms was an existing pre-kindergarten classroom, but that the school expanded the program by opening seats to three-year olds. ED Farias explained that SFA expedited and pursued the second classroom to alleviate the school's pre-kindergarten waitlist.

(1) Opening ceremony to be conducted on January 8, 2024. Board Member Aczon noted the ED report stated January 8, 2023 not 2024.

e) ED Farias reported on the status of the Kealakehe High School building purchase and explained that SFA continues to work and meet with the Department of Education (DOE) on establishing a Memorandum of Understanding. SFA looks forward to further discussion on starting renovations.

2. New Schools.

a) ED Farias reported that most discussions of new schools have been focused on West Maui and the temporary school that would house displaced King Kamehameha III Elementary students. He reported that DOE, with the assistance of the Federal Emergency Management Agency (FEMA) and other federal agencies, is working on the temporary campus. ED Farias reported that a contract was awarded to Pono 'Aina Management on November 20th and that grading of the site has begun. He noted that DOE Deputy Superintendent Curt Otaguro stated the temporary campus would consist of 30 nodular classrooms and that the current estimate is that construction would be completed in 95 days.

3. Education Workforce Housing.

a) ED Farias reported that last month, SFA announced the release of a Request For Qualifications (RFQ) for teacher housing on Maui. SFA still hopes to release an RFQ in the next several months. He stated that he continues to support and meet with Maui County officials regarding temporary and permanent housing on Maui.

b) ED Farias reported that SFA is pursuing the release of an RFQ or a Request for Proposals (RFP) for Oahu soon.

4. Supplemental Budget Request.

a) ED Farias reported that SFA requested an additional \$15 million for Education Workforce Housing and funds for a Deputy Attorney General (AG) position for SFA for the 2024-205 Fiscal Year.

(1) ED Farias confirmed that Budget and Finance (B&F) did not recommend that SFA's request be included on the Governor's Executive Budget. He stated that although the SFA submitted an appeal, the B&F and Governor's final decision did not include SFA's supplemental budget request. ED Farias stated that the next step in the budget process is for Governor Green's Executive Budget to go to the Legislature for consideration.

(2) Chairperson Oshima asked ED Farias if other State departments similarly had their supplemental budget requests denied or constrained. ED Farias could not confirm but presumed that other State Departments may have faced similar constraints.

(a) ED Farias also reported that SFA informed the AG Office that SFA's request for funding was denied and coordinated with the Department of the Attorney General (AG's Office) on the appeal.

(b) Chairperson Oshima informed Board Members that the AG position was requested by the AG's Office and that the position would be dedicated and in alignment with the work SFA is currently doing. ED Farias added that the SFA did meet with the AG's Office previously regarding an AG position and that the position would have experience in land transfers and real estate. He noted that he was told that the position may serve multiple departments.

(3) Board Member Aczon asked ED Farias to explain the impact of the decision to not include SFA's

requests in Governor Green's executive budget and whether there are other routes to get these requests.

(a) ED Farias confirmed that is the route for supplemental budget requests and that the AG's Office would continue to be strained to provide services to agencies.

(b) ED Farias also provided legislative background on the teacher housing funds. He confirmed that SFA would still pursue a RFQ or RFP, but the reduction in funds would slow SFA's progress.

## **B. Update on Administrative Activities**

1. Office Space. ED Farias reported that SFA continues to work with DAGS to negotiate office space at 600 Kapiolani Boulevard.
2. Personnel. ED Farias reported that the SFA is in process of hiring a new project manager to fill a vacancy. He stated that he would interview candidates later this week. ED Farias reported that SFA hired two project managers last month and that SFA is still waiting for DOE's approval to post two positions, a planner and purchasing specialist. He stated that he would work on the remaining positions once the planner and purchasing specialist positions are posted.
3. Administrative Rules. ED Farias reported that on November 22, 2023, the SFA sent draft administrative rules to the Legislative Reference Bureau (LRB) for technical review and to the AG's Office for substantial legal review. He reported that on December 6, 2023 SFA received responses from both offices and that SFA is currently reviewing the comments and making necessary changes. SFA is targeting the January Board Meeting for Board approval of the administrative rules. ED Farias noted that there is a timeline for approval, public hearing, and promulgation of the rules in the board packet.
4. Kaimuki Planning Study. ED Farias reported that SFA is currently working with the University of Hawaii Community Design Center (UHCDC) on the Kaimuki and Kalani Complex

Planning Study. The study is designed to inform SFA on potential areas for future development. UH CDC provided a draft pre-report on December 1st, which identifies parcels that have potential for development within the Kaimuki and Kalani complexes. SFA staff is currently reviewing the draft and would provide recommendations to the Board in January regarding opportunity sites that have the highest development potential. After Board considerations, SFA would request UH CDC to conduct in-depth analysis of the opportunity sites identified by the Board.

- a) Chairperson Oshima asked ED Farias to provide a brief summary of the Kaimuki and Kalani Complex study. ED Farias reported that the discussion for development in the area has been ongoing, including current legislation on specific areas such as the former Queen Liliokalani campus. He noted that the campus is currently occupied by DOE employees. ED Farias stated that the study would provide information on optimal locations for development in the area.

## VI. Action Items

### A. Board Action on SFA Executive Director evaluation process, Executive Director position description, and 2024 priorities

1. Chairperson Oshima noted that the proposed motion incorrectly references a memorandum from the Executive Director, but the memorandum is from the Board Chairperson.
2. Chairperson Oshima referenced the materials in the board packet related to the executive director evaluation process and position description. He opened the floor for further discussion or questions on the materials, but there were none.

**Motion: Move to approve the executive director performance evaluation process, the changes to the executive director position description, and 2024 ED Priorities, attached as Exhibits A, B, C, respectively, to Chairperson Oshima's memorandum dated December 12, 2023 (Edwards/Iwase). 5 Ayes (Oshima, Aczon, Edwards, Iwase, Mehnert), 0 Nos, 0 Abstentions. Motion carries.**

### B. Board Action on SFA 2023 Annual Report to the Hawaii State Legislature

1. Chairperson Oshima directed board members to the report in the meeting materials.

**Motion: Move to approve the SFA 2023 annual report, attached as Exhibit A to Executive Director Chad K. Farias's memorandum dated December 12, 2023 (Aczon/Iwase). 5 Ayes (Oshima, Aczon, Edwards, Iwase, Mehnert), 0 Nos, 0 Abstentions. Motion carries; report adopted.**

**VII. Public Testimony**

There was no public testimony.

**VIII. Discussion Items**

**A. Presentation on 2024 SFA Board meeting schedule**

1. Chairperson Oshima directed board members to the board meeting schedule in the meeting materials.
2. Chairperson Oshima noted that October 1, 2024 was inadvertently omitted from Exhibit A of his memorandum.
3. Board Member Edwards requested consideration of future Board meetings to be held in the early mornings once office location is confirmed.

**IX. Adjournment**

**Motion to adjourn the meeting (Mehnert/Aczon). 5 Ayes (Oshima, Aczon, Edwards, Iwase, Mehnert), 0 Nos, 0 Abstentions. Motion carries; meeting adjourned at 1:30 p.m.**