

SCHOOL FACILITIES AUTHORITY BOARD

MEETING MINUTES

Date: April 2, 2024

Time: 9:00 a.m.

Teleconference via Zoom

2759 South King Street, Room C5

Honolulu, Hawaii 96826

**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

Harold Edwards, Vice Chairperson

Edmund Aczon

Jan Iwase

Bettina Mehnert

Staff Present:

Riki Fujitani, Interim Executive Director

Cindy Watarida, Business Manager

Kenyon Tam, Policy and Program Officer

Douglas Cullison, Project Manager

Wilmurf de Vera, Project Manager

Jiaping Fouse, Project Manager

AGENDA

I. Call to Order

Chairperson Alan Oshima called the meeting to order at 9:00 a.m.

II. Roll Call and Determination of a Quorum

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

III. Approval of Meeting Minutes of March 5, 2024

Motion: Move to approve the March 5, 2024 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. Workgroup and Subcommittee Reports

A. Subcommittee on Learning Spaces

1. Subcommittee Chair Iwase reported that the Learning Spaces Subcommittee held a meeting on March 28, 2024. Subcommittee Chair Iwase thanked School Facilities Authority (SFA) staff attending the meeting.
2. Subcommittee Chair Iwase reported that the Learning Spaces Subcommittee provided input on legislative testimony for HB2384 HD2, which would repeal \$200M in general funds for pre-K classrooms and replace it with \$100M in general obligation bond funds. She reported that SFA submitted testimony. Despite SFA's testimony, the bill was passed with amendments that would replace SFA with the Department of Education (DOE) as the administrator of the School Facilities Special Fund and remove the requirement that Act 257 (2022) funds would need to be used to expand pre-K facilities.

B. Subcommittee on Workforce Housing

1. Workforce Housing Subcommittee Chair Edwards reported that the Workforce Housing Subcommittee continues to meet weekly. Subcommittee Chair Edwards added Addendum 4 was issued last Thursday. Questions included on the Addendum 4 related to financing. State bond counsel was included in the conversation to provide advice on financing to avoid affecting the existing general obligation bond. The deadline to submit a proposal is now May 31, 2024. There is an anticipation of five or six proposals to be received.
 - a) Chairperson Oshima requested clarification on whether the involvement of the state bond counsel was due to the parcel of the proposed Mililani housing site being encumbered by a bond indenture and triggering the calling of the investment. Subcommittee Chair Edwards

confirmed and stated that the state bond counsel provided guidance on what can and cannot be done.

C. Subcommittee on Operations

1. Subcommittee Chair Mehnert noted that the subcommittee had nothing to report this month.

VI. Public Testimony

There was no public testimony.

VII. Report of the Executive Director

A. Update on Learning Spaces

1. Pre-K: SFA Project Manager (PM) Doug Cullison reported the following:
 - a) Existing Objectives: \$200M
 - b) Minor Renovations: On track this year to complete 44 classroom renovations by the end of Summer 2024. At that point, SFA would be 35% toward its 200 classrooms goal.
 - c) Major Renovations: Currently no activities to report. \$10M set aside for major renovations.
 - d) Modular Buildings: SFA staff attended the World of Modular conference and learned about modular construction as well as meeting interested vendors. SFA is currently looking into 64 classrooms with University of Hawaii (UH) at Hilo's 'Imiloa Astronomy Center being the first site and possible non-UH related sites on Maui.
 - e) Traditional Buildings:
 - (1) UH Manoa project at the old National Oceanic and Atmospheric Administration (NOAA) building: 13% complete and SFA has been receiving reports from engineers regularly. SFA contributed \$10 million to fund early childhood and pre-K classrooms at that site. The built classes and spaces will be operated by the developer.

- (2) Pearl City Library: Scheduled to go out to bid on June 30, 2024, and SFA to transfer \$4M to include two pre-K classrooms in the build.
 - (3) Waikoloa Library: Currently in design, and SFA to transfer \$4M to include two pre-K classrooms in the build.
- f) Chairperson Oshima requested clarification on pre-K projects. He stated that the initial pre-K projects centered on renovating existing DOE facilities that were not being utilized and asked if SFA is now looking into placing modular classrooms on campuses instead of renovating existing classrooms.
- (1) PM Cullison and Interim Executive Director Fujitani responded that the goal is to initiate categories in parallel, installing modular classrooms at sites where no classrooms are available to renovate while continuing renovations at sites where unused or underutilized classrooms are available. Sites include DOE and charter schools.
- g) Chairperson Oshima elaborated and inquired about the encumbrance of the UH Manoa NOAA project, other potential UH-affiliated properties, and continuous collaborative talks with other state agencies on Ready Keiki spaces.
- (1) PM Cullison confirmed that the MOU between SFA and UH entailed construction only, the 'Imiloa site is a possible location for pre-K spaces, and collaboration with other agencies is ongoing.
 - (2) Interim Executive Director Fujitani added that the number of existing spaces schools are willing to renovate will diminish. Thus, a parallel track is needed to meet the goal of available seats. For the preschool building model, based on conceptual drawings and modular construction, the economy of scale is four to five modular classrooms. Therefore, SFA will need to find sites that need four to five classrooms. Data is being

generated by SFA consultant MKThink. Staffing for planning and project management may be a hybrid model utilizing SFA staff and consultants. The minimum size construction model is estimated at 4,000 square feet, which would provide efficiency and bring the cost per modular classroom to under \$1M per classroom. Traditional construction methods may not be efficient since the cost per classroom is high; however, by partnering with libraries and UH, the traditional construction model makes sense since classrooms can be incorporated into designs for buildings already planned. SFA is currently on track of identifying 16 sites for the modular preschool building model.

h) Chairperson Oshima requested clarification on the Executive Office on Early Learning (EOEL) identifying the sites, need, and staffing prior to SFA doing planning and design.

(1) Interim Executive Director Fujitani confirmed that site intake is ongoing with EOEL for buildings and renovations. So far, EOEL has identified 40 sites for buildings, but SFA will need to comb through the identified sites and reduce the list to 16 sites.

(2) Chairperson Oshima added that the work with EOEL and individual schools continues and stated that SFA's role is to work with all groups to come up with a plan for facilities. PM Cullison confirmed that the DOE and EOEL are SFA's client and SFA will continue to work with them to deliver sufficient facilities.

i) Board Member Edwards asked how other activities beyond classroom renovations (e.g., outdoor space and parking) are being managed.

(1) PM Cullison responded that site assessments include areas such as bathrooms, outdoor space, fencing, and path of travel (from parking to the classroom). Interim Executive Director Fujitani

added that the current preschool design guidelines incorporate all these issues for building and renovations. PM Cullison stated that sometimes a site is not feasible if it does not meet some of the criteria (e.g., no restroom available close by). The goal is to get the best space available. Interim Executive Director Fujitani provided an example of a recent site that is not feasible and recommended it be demolished instead of renovated (an alternate site was provided instead).

- j) Chairperson Oshima elaborated on Hawaii 3Rs and playground spaces. There is discussion on playground spaces for grades K-6 and dedicated pre-K playgrounds. Majority of projects are for designs for grades K-6. Act 257 did not require playground spaces to be included in the facilities for Ready Keiki. However, the subject is evolving as funding types and play spaces are being discussed between the SFA and DOE.

- (1) Interim Executive Director Fujitani added PM Cullison is working with the DOE's playground expert on options to fit the pre-K to grade 5 model. PM Cullison provided examples of options, such as trike paths and information boards.

- k) Related to HB2384 SD1, Chairperson Oshima inquired what will happen to the remaining plans if funding is diverted away from completing the pre-K facilities.

- (1) PM Cullison elaborated SFA is preparing a contingency plan on construction underway and encumbrance of work for next fiscal year. In the worst-case scenario, SFA would only work to complete existing renovations for a total of 55 classrooms. Interim Executive Director added that the SFA has built a cadence, but the loss of funds for construction would be unfortunate. However, planning for Cohort 3 will continue and hopefully it will provide a compelling case for funding in the

next biennium to reappropriate monies for construction.

2. New Schools: SFA PM Jiaping Fouse reported the following:

- a) SFA met with MKThink to discuss plans and progress on Central Maui.
- b) Chairperson Oshima requested elaboration on plans and asked whether the plans are general or site specific.

(1) PM Fouse responded that the majority of the information is general. No specific site has been selected for the Central Maui middle school. Interim Executive Director Fujitani added that the first phase is standards and planning since no standards are available at the DOE. The first step in standards includes creating a school design guide, specific educational specifications, construction specifications, and standard technical drawings. The next phase is site specific for immediate needs. Currently, the issue is funding. \$10M was previously appropriated for construction and the House of Representatives is proposing to increase it by \$14M. Interim Executive Director Fujitani provided background on partners MKThink and Hawaii Off Grid.

- c) Board Member Aczon asked how the current consultant plans to divide the responsibilities.

(1) Interim Executive Director Fujitani responded that the responsibilities are not clear yet, but the primary contract is with MKThink. Another option is additional consultant selections, but the goal is to have one consultant be responsible and accountable over its subconsultants.

B. Update on Workforce Housing: SFA PM Wilmurf de Vera reported the following:

- 1. SFA is currently working with a consultant, The Wilhelm Group (TWG), on workforce housing.

2. Addendum 4 for Mililani High School RFP was answered and posted. Project is on track and the offer due date is May 31, 2024.
3. SFA is planning four RFPs. RFP dates have been scheduled for 12 sites. SFA is currently looking at elementary schools and using a criterion based on enrollment and capacity ratio, minimal redevelopment and infrastructure restrictions, and sites without tax-exempt bond issues. SFA will be submitting a list to TWG to create RFPs.
4. Interim Executive Director Fujitani referenced data in the board packet of lands needed to be transferred. Instead of waiting for land to be transferred to the DOE, the SFA is taking a proactive role by informing the DOE specific parcels title is needed to pursue the RFPs.

C. Update on Operations: Interim Executive Director Fujitani reported the following updates:

1. Procurement: All contracts have been issued and signed.
2. Fiscal: Currently SFA is experiencing challenges with its financial management system, but SFA hopes to have it resolved in the next few weeks.
3. Office space: Temporarily at DOE offices off Waiialae Avenue and in the process of getting space at Kuhio Elementary School. Locations are based on being close proximity to primary stakeholders, DOE and EOEL.
4. Impact fees: Based on MOU, impact fee function will be taken over by the SFA by June 30, 2024.
5. Administrative rules: Notice of Public Hearing was posted and scheduled for hearing on May 7, 2024.
6. Personnel: SFA's Deputy Executive Director resigned, and the position will now be converted to an Administrative Services Officer position. The reasoning behind the conversion is to fit the position according to SFA's current organizational size.
7. 2024 legislative session: Policy and Program Officer Kenyon Tam reported the following updates:

- a) HB1800, the state supplemental budget bill, was passed by the Senate Committee on Ways and Means, but the Senate draft and worksheets are not yet available.
- b) HB2091 on impact fees died.
- c) HB2384 was amended further by the Senate Committee on Education. The amendment added the DOE as the administrator of the School Facilities Authority Special Fund and removed the requirement that funds related to Act 257 be dedicated to pre-K.
- d) SB3328, which would have abolished SFA, died.

VIII. Public Testimony

There was no public testimony.

IX. Adjournment

Motion to adjourn the meeting (Aczon/Edwards). 5 Ayes (Oshima, Aczon, Edwards, Iwase, Mehnert), 0 Nos, 0 Abstentions. Motion carries; meeting adjourned at 9:41 a.m.