

State of Hawai'i School Facilities Authority

2024 Annual Report

About this Report

Pursuant to Section 302A-1707, Hawai'i Revised Statutes ("HRS"), the School Facilities Authority (the "SFA") must submit to the governor, Board of Education, and legislature a complete and detailed report of its activities during the prior fiscal year. This report covers the SFA's activities from July 1, 2023, through June 30, 2024.

Pursuant to Section 302A-1706, HRS, this report must include a copy of the information contained in the report to the director of finance identifying the total amount of funds in the school facilities special fund that would carry over from Fiscal Year 2023-2024 ("FY24") to Fiscal Year 2024-2025 ("FY25"). The report to the director of finance is attached to this report as Exhibit A.

About the SFA

The SFA is charged with the development, planning, and construction of public school capital improvement projects and may acquire property, receive gifts and grants, and contract or partner with qualified parties, among other things, to accomplish this objective. The SFA also manages school impact fees paid by housing developers in certain designated school impact districts to offset the costs of expanding existing schools and building new schools.

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

Review of Activities in FY24

Pre-kindergarten classrooms.

- Renovations. Act 257, Session Laws of Hawai'i ("SLH") 2022, appropriated \$200 million from general funds to the SFA to expand access to pre-kindergarten to eligible children. Act 175, SLH 2023, transferred the funds to the school facilities special fund. Governor Josh Green, M.D., released and transferred approximately \$81 million of those funds into the special fund. The SFA completed and turned over all of the 11 classrooms on Department of Education (the "DOE") campuses that the SFA began renovating in Fiscal Year 2022-2023 for preschool operations in the 2023-2024 school year. The SFA entered into contracts to renovate 45 classrooms on DOE campuses and began construction for preschool operations in the 2024-2025 school year.
- New builds. The SFA partnered with the University of Hawai'i at Mānoa, investing \$10 million for eight preschool classrooms in its graduate student housing facility, which is projected to be completed by 2025. The SFA identified a project at Mālama Honua Public Charter School, and the SFA is expecting to transfer \$1.5 million to the State Public Charter School Commission in FY25 for two preschool classrooms at the project.

The SFA started due diligence on a new construction preschool project at the 'Imiloa Astronomy Center at the University of Hawai'i at Hilo, which is projected to be completed by 2027.

Educator workforce housing. Act 172, SLH 2023, appropriated \$170 million to the SFA for the construction of housing prioritized for teachers, educators, and staff and classrooms. However, Governor Green vetoed \$120 million from Act 164, SLH 2023, to help balance the state budget, leaving the SFA with \$50 million for teacher housing projects in FY24. Governor Green further restricted the teacher housing funds to \$5 million, redirecting \$45 million to address the Maui wildfires emergency. The SFA issued a request for proposals for a teacher workforce housing project at Mililani High School on December 15, 2023. Three offerors submitted proposals by the deadline of May 31, 2024. The SFA placed all three offerors on a priority list and requested best and final offers, due by July 12, 2024. The SFA expected to issue a notice of award by early FY25.

School modernization. Act 248, SLH 2022, appropriated \$20 million for a new school in Central Maui, all of which were encumbered for planning and design. As part of its commitment to improving construction outcomes, the SFA plans to establish four key standards: 1) design guidelines, 2) construction specifications, 3) standard technical drawings, and 4) commissioning plans. Standardizing these elements will streamline the design phase, reduce the likelihood of costly errors during construction, and enhance the overall quality of school facilities.

Operations. In FY24, the SFA filled seven of the eight exempt positions and worked with the DOE and the Department of the Attorney General to determine what it would take to recruit SFA's civil service positions. The SFA set up a main office at Kuhio Elementary School. The SFA received "approval as to form" from its deputy attorney general on its final administrative rules for practice and procedure, clearing the way for submission to the governor. Other operational activities in FY24 include the continued development of a website for the SFA.

Exhibit A

School Facilities Special Fund Report for Fiscal Year End 2024

JOSH GREEN, M.D.
GOVERNOR

RIKI FUJITANI
EXECUTIVE DIRECTOR



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

September 18, 2024

MEMORANDUM

TO: Luis P. Salaveria
Director of Finance, Department of Budget and Finance

FROM: Riki Fujitani *Riki Fujitani*
Riki Fujitani (Sep 18, 2024 16:12 HST)
Executive Director, School Facilities Authority

SUBJECT: School Facilities Special Fund Report for Fiscal Year End 2024

Hawaii Revised Statutes §302A-1706 requires the School Facilities Authority to annually report to the Director of Finance the total amount of funds in the School Facilities Special Fund that will carry over to the next fiscal year.

Should you have any questions regarding the report, please contact Administrative Services Officer, Kenyon Tam, at (415) 226-6521 or email kenyon.tam@hisfa.org.

Attachment:

- School Facilities Special Fund Report FYE 2024.pdf

ATTACHMENT

SCHOOL FACILITIES AUTHORITY
SCHOOL FACILITIES SPECIAL FUND REPORT
FOR FISCAL YEAR ENDING JUNE 30, 2024

S-24-358-E

APPROPRIATIONS	81,685,613.00
TRANSFERS	<u>0.00</u>
	81,685,613.00
UNALLOTTED APPROPRIATIONS	872,485.89
AVAILABLE ALLOTMENTS	<u>0.00</u>
TOTAL UNALLOTTED APPROPRIATIONS & AVAILABLE ALLOTMENTS	872,485.89
LESS: RESTRICTED APPROPRIATIONS	<u>0.00</u>
TOTAL CARRY OVER TO FY 2025	<u>872,485.89</u>

ATTACHMENT

SCHOOL FACILITIES AUTHORITY
SCHOOL FACILITIES SPECIAL FUND REPORT
FOR FISCAL YEAR ENDING JUNE 30, 2024

S-24-359-E

APPROPRIATIONS	5,000,000.00
TRANSFERS	<u>0.00</u>
	5,000,000.00
UNALLOTTED APPROPRIATIONS	0.00
AVAILABLE ALLOTMENTS	<u>0.00</u>
TOTAL UNALLOTTED APPROPRIATIONS & AVAILABLE ALLOTMENTS	0.00
LESS: RESTRICTED APPROPRIATIONS	<u>0.00</u>
TOTAL CARRY OVER TO FY 2025	<u>0.00</u>