

Construction bill advances amid support, labor concerns

By Victoria Budiono
vbudiono@staradvertiser.com

A proposal to overhaul how Hawaii builds public schools is advancing at the state Capitol, as lawmakers seek faster, more cost-effective solutions to overcrowding and rapid growth in areas like Kapolei and Ewa, with a key decision scheduled for Tuesday morning.

Senate Bill 2024 would authorize the Hawaii School Facilities Authority to partner with private developers to design, finance and build public school facilities — including on privately owned land — and launch a pilot program to develop three new schools across

the state.

The measure comes as stakeholders acknowledge that Hawaii has some of the highest public school construction costs in the nation, making it difficult to keep pace with demand for classrooms.

“The thought is, we cannot build schools the old way,” said Riki Fujitani, executive director of the School Facilities Authority. “They’re too expensive, and it’s too slow.”

Under the bill, the authority would solicit proposals from developers through a competitive process, evaluating projects based on cost savings, community need, design quality and speed of delivery. The pilot would

run through 2028, with interim and final reports to the Legislature assessing whether the approach should be expanded.

The partnerships — often referred to as public-private partnerships, or P3s — could include long-term leases, land swaps or mixed-use developments where schools share space with commercial or residential tenants.

Fujitani said such models could significantly reduce costs compared with traditional state Department of Education projects, which he described as “big dinosaur” campuses that can cost upward of \$200 million.

In some cases, he said, a P3 project could deliver a

school for a fraction of that price, particularly in fast-growing areas where large developers can incorporate schools into broader mixed-use projects.

“You’re not going to get schools the other way in some of these districts,” Fujitani said, pointing to areas like Kapolei and Koa Ridge, where enrollment growth is outpacing available classroom space.

Public charter schools, which are responsible for securing their own facilities, say the bill could help address one of their biggest challenges.

Matt Zitello, executive director of Hawaii Technology Academy, said his statewide charter school has grown by

about 60% in recent years — from roughly 1,375 students in 2021-22 to more than 2,200 this school year — but continues to face long waitlists.

“Facilities are the primary barrier to expansion,” Zitello said.

Unlike traditional public schools, charter schools often lease commercial spaces and must invest heavily in renovations to convert them into classrooms — sometimes spending millions of dollars on buildings they do not own.

Zitello pointed to a recent \$2.5 million tenant improvement project at the school’s Kona campus.

He said one of the biggest challenges is simply finding

suitable space, then ensuring it can be legally used for education before investing heavily to retrofit it — often in buildings that don’t fully align with the school’s needs.

Zitello said charter schools can end up spending millions improving leased properties they don’t own, only to risk losing that investment if a lease ends or the property is sold. Given that reality, he said the pilot program makes sense because schools are already spending significant funds on facilities and would prefer to invest those dollars into state-supported projects with a more stable,

Please see BUILD, A14

BUILD

Continued from A9

long-term partner.

Through a partnership with the state, Zitello said, schools could instead invest in facilities that remain public assets.

“We’re already spending the money,” Zitello said. “We’d rather be putting it back into the state and have a partner that knows how to do this.”

Seeking alternatives

State Rep. Trish La Chica (D, Waipio-Mililani), the vice chair of the House Education Committee who introduced a companion measure in the House that has stalled, said the goal is to test whether a different approach can deliver schools more quickly and efficiently.

“We’ve done things a certain way for many, many years, and it hasn’t worked,” La Chica said.

She pointed to longstanding issues with project delays and unspent funds within the DOE, as well as mounting demand in growing communities.

In master-planned developments, she said, residents often expect schools to be built alongside new housing — but those projects have lagged.

“When I buy a home, I want to make sure I’m moving into a good school district,” she said, adding that some communities are still waiting on schools that were promised.

Supporters say the pilot program is designed as a limited test, with built-in oversight to evaluate costs, timelines and long-term outcomes before expanding the model.

In written testimony, DOE Superintendent Keith Hayashi said the department supports exploring more efficient ways to build school facilities, including the use of public-private partnerships in limited cases.

He noted that the structure proposed in the bill may be better suited for startup charter schools — which operate with greater autonomy and are not tied to DOE land or attendance boundaries — rather than traditional public schools.

Hayashi also emphasized the need to clearly define the authority of SFA as its responsibilities expand, and supported a provision requiring DOE approval before any projects are built on department-controlled land.

Labor groups, however, raised concerns about the proposal’s potential impacts on public workers and oversight.

Randy Perreira, executive director of the Hawaii Government Employees Association, said the measure lacks clear definitions of authority among state agencies, warning it could create confusion and strain coordination as the School Facilities Authority takes on additional responsibilities. He also questioned whether the agency has the capacity to manage more projects, pointing to ongoing challenges with other initiatives.

Similarly, United Public Workers Hawaii opposed the bill, citing concerns that public-private partnerships could lead to the privatization of work traditionally performed by state employees. The union specifically flagged language allowing private partners to handle maintenance, warning that such duties could be contracted out instead of being performed by public workers.

The bill requires the SFA to report to lawmakers on each project’s applicants, design and financial structure, as well as any state funding commitments.

Fujitani emphasized that public-private partnerships are not a replacement for public funding, but a tool to stretch limited resources.

“It’s not free,” he said. “There will still need to be a large state contribution.”

Still, he said, the potential benefits — including faster construction, predictable costs and long-term maintenance agreements — make the approach worth exploring.

For charter school leaders like Zitello, the stakes are immediate.

“We do a lot with very little,” he said. “That’s our whole mantra, but it’s not optimal. If we’re going to get state dollars ... why not be smarter with the way we spend it as a collaborative unit?”