



**STATE OF HAWAII
BOARD OF EDUCATION**

P.O. BOX 2360
HONOLULU, HAWAII 96804

August 15, 2019

TO: Finance and Infrastructure Committee

FROM: Kenneth Uemura
Chairperson, Finance and Infrastructure Committee

AGENDA ITEM: Committee Action on a work plan and timeline to ensure Board of Education policies and structures enable the Department of Education to complete all facilities projects at its schools with the greatest socioeconomic and academic needs as determined by an equity priority order (FIC Strategic Priority 2)

I. BACKGROUND

At its July 18, 2019 general business meeting, the Board of Education ("Board") adopted committee strategic priorities for the 2019-2020 school year. Among the adopted priorities, the Finance and Infrastructure Committee ("Committee") is to "establish the policies and structures necessary to direct and enable the Department [of Education] to complete all facilities projects at its schools with the greatest socioeconomic and academic needs as determined by a priority order intended to advance equity." The following indicators will determine the Committee's success in achieving this priority:

- By September 19, 2019, the Committee will recommend for Board approval a policy related to equitable school facilities that would, at a minimum, sufficiently direct the Department of Education ("Department") to complete repair and maintenance ("R&M") and capital improvement program ("CIP") projects at its schools by order of greatest socioeconomic and academic needs.
- By November 21, 2019, the Committee will consider, and recommend for Board approval, a comprehensive, cohesive, and effective R&M priority list that is sufficiently based on equity.
- By November 21, 2019, the Committee will consider, and recommend for Board approval, effective criteria sufficiently based on equity for the Department to use to appropriately determine the priority order in which it executes CIP projects.

- By February 20, 2020, the Committee will consider, and recommend for Board approval, a comprehensive and cohesive plan with specified outcomes and milestones for effectively reducing the R&M backlog.

The R&M backlog is an indicator in the Department and Board 2017-2020 Strategic Plan (“Strategic Plan”) for Strategic Plan Goal 3 regarding successful systems of support. The Strategic Plan defines the R&M backlog indicator as follows:

Dollar amount in list of unfunded or deferred major R&M projects. School facilities’ needs in the R&M backlog include infrastructure rehabilitation and structural improvements, among others. Must be accompanied by efforts to build new, state-of-the-art facilities to meet changing demographics and support innovative learning.

The 2016 baseline in the Board-approved Strategic Plan is \$279 million with a 2020 target of reducing the backlog to \$239 million.

In December 2018, media outlets reported that a new Department database revealed that the R&M backlog was actually \$868 million. At its January 17, 2019 meeting, the Committee asked about the issue, and the Department clarified that the modernization of its record system updated old project estimates and found projects removed from the backlog that the Department started but did not complete because of insufficient funds. The Department reported that its five-year projections have the R&M backlog in excess of \$1 billion based on the facilities master plan.

At the Board’s April 18, 2019 meeting, Superintendent Christina Kishimoto announced the Future Schools Now initiative to the Board, which seeks to modernize the Department’s facilities and planning capabilities, including an online CIP database with real-time updates to the R&M backlog. On May 16, 2019, the Department also began including an R&M backlog report in its quarterly financial reporting to the Committee.

II. WORK PLAN AND TIMELINE

The strategic priority requires the Committee to develop and recommend to the Board a policy related to equitable school facilities that directs the Department to complete school R&M and CIP projects by order of greatest socioeconomic and academic needs.

After the Board adopts the aforementioned policy, the Department is to develop and provide to the Committee for its consideration an R&M priority list based on equity and equity-based criteria to determine the priority order of the execution of school CIP projects. The Committee is to recommend an R&M priority list and CIP execution criteria to the Board for approval by November 21, 2019. The Department is to develop and provide to the Committee for its consideration a plan for reducing the R&M backlog, and the Committee is to recommend an R&M backlog reduction plan to the Board for approval by February 20, 2020.

To complete this work, I am recommending the Committee task the Department with providing the Committee with information on how it currently executes school R&M and CIP projects and developing for the Committee's review a draft policy related to equitable school facilities, a draft R&M priority list, draft CIP execution criteria, and a draft R&M backlog reduction plan. The Committee would oversee the Department's work and provide direction as necessary. I would also like Committee Vice Chairperson Bruce Voss to work with and provide direction to the Department to help it meet the deadlines in the timeline below. The Committee would review all recommendations from the Department and determine its own recommendations to the Board.

Date	Activity
August 15, 2019 Committee Meeting	Committee tasks the Department with: <ul style="list-style-type: none"> • Providing the Committee with information on how the Department currently executes school R&M and CIP projects; • Developing and recommending to the Committee a draft policy related to equitable school facilities that, at a minimum, directs the Department to complete school R&M and CIP projects by order of greatest socioeconomic and academic needs; • Developing and recommending to the Committee a draft R&M priority list based on equity as envisioned by the new Board policy; • Developing and recommending to the Committee draft criteria based on equity, as envisioned by the new Board policy, for the Department to use to determine the priority order in which it executes CIP projects; and • Developing and recommending to the Committee a draft plan with specified outcomes and milestones for reducing the R&M backlog.
August-September, 2019	The Superintendent assigns the appropriate Department personnel, and the Department begins developing a draft policy related to equitable school facilities.
September 19, 2019 Committee Meeting	The Department presents information on how it currently executes school R&M and CIP projects to the Committee. The Department also recommends a draft policy related to equitable school facilities. The Committee reviews the draft policy, makes any changes necessary, and approves a policy recommendation to the Board. The Board considers the Committee's recommended policy and acts on the recommendation.

Date	Activity
November 21, 2019 Committee Meeting	The Department recommends a draft R&M priority list and draft CIP execution criteria based on equity as envisioned by the new Board policy to the Committee. The Committee reviews the draft R&M priority list and CIP execution criteria, makes any changes necessary, and approves a recommendation to the Board. The Board considers the Committee's recommended R&M priority list and CIP execution criteria and acts on the recommendation.
February 20, 2020 Committee Meeting	The Department recommends a draft plan with specified outcomes and milestones for reducing the R&M backlog to the Committee. The Committee reviews the draft R&M backlog reduction plan, makes any changes necessary, and approves a recommendation to the Board. The Board considers the Committee's recommended R&M backlog reduction plan and acts on the recommendation.

III. RECOMMENDATION

I recommend that the Committee approve the work plan and timeline described in this memorandum.