


**STATE OF HAWAII**  
**DEPARTMENT OF EDUCATION**  
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HONOLULU, HAWAII 96804

OFFICE OF THE SUPERINTENDENT

November 17, 2022

TO: The Honorable Bruce D. Voss  
Chairperson, Board of Education

FROM: Keith T. Hayashi  
Superintendent 

SUBJECT: **Update on Department of Education's Repair and Maintenance ("R&M") and Capital Improvement Programs: Quarterly Report**

1. EXECUTIVE SUMMARY

- For Fiscal Year (FY) 2022-2023, the Hawaii State Department of Education (Department) was appropriated \$581 million in general obligation bonds and \$256 million in funds to maintain the state's maintenance of effort (MOE) required as a recipient of federal coronavirus relief funds.
  - The Hawaii State Legislature (Legislature) appropriated the \$256 million dollars in two categories – Repair and Maintenance (R&M) and line-item projects.
  - MOE-funded projects must be completed by June 30, 2023, the end of the fiscal year.
- The Department is currently managing 649 Capital Improvement Program (CIP) projects valued at more than \$1.4 billion.
  - The Department is currently awaiting the release of FY 2022-2023 funds.
- The Department's Office of Facilities and Operations (OFO) has been focusing on three high-priority special projects:
  - Central Kitchen Proof-of-Concept and Center for Workforce Excellence in Whitmore Village;
  - Acquisition of the former St. Francis School property in Manoa Valley; and
  - Improved classroom ventilation using Corsi-Rosenthal air purifiers.
- To manage the deferred maintenance projects, the Department continues to utilize the Facilities Asset Management (FAM) and Hawaii Facilities Inspection Tool (HI-FIT) to prioritize projects.

2. DESCRIPTION

The Department provides quarterly updates on the status of CIP and deferred maintenance, or R&M, projects to keep the Hawaii State Board of Education (Board) apprised of its use of CIP and R&M funds.

This update provides the status of the CIP and deferred maintenance projects for the first quarter of FY 2022-2023 ending September 30, 2022. Also provided is information regarding the MOE funds appropriated to the Department and the special projects the Department is focusing on to address its needs.

3. UPDATE

Through Act 248, Session Laws of Hawaii 2022, the Department was appropriated \$581 million in general obligation bonds and \$256 million in funds to maintain the state’s MOE required to comply with the assurances made as a recipient of the Elementary and Secondary School Emergency Relief (ESSER) funds. These funds will be used in accordance with [Board Policy 301-10, Equitable Allocation of Facilities Resources](#).

**Maintenance of Effort**

To meet the MOE requirements, the Legislature appropriated \$256 million in two categories: R&M and line-item projects. Projects that qualify for MOE funding must be completed, with funds expended, by June 30, 2023, the end of the state fiscal year.

OFO prioritized identifying and assigning the work that could be completed by the June 30, 2023 deadline. The planning process began in May 2022, anticipating that funds would be approved by the Governor in July 2022. The late release of these funds in early September has caused a delay in the bidding of projects. OFO is currently in the process of determining how much of the MOE funds can be expended by the end of the fiscal year, as well as how these funds may support non-construction CIP projects (e.g., information technology).

**CIP Status**

The following table outlines the encumbrances and expenditures of CIP funds for each fiscal year:

<b>CAPITAL IMPROVEMENT PROGRAM ALLOTMENT STATUS REPORT</b>				
<b>Budget Fiscal Year</b>	<b>Received Funds</b>	<b>Encumbered Funds</b>	<b>Additional Expenditures</b>	<b>Available Funds</b>
2018-2019	\$286,739,068	\$240,120,296	\$30,282,188	\$16,336,584
2019-2020	\$299,365,161	\$245,108,419	\$48,205,288	\$6,051,454
2020-2021	\$294,468,110	\$58,391,389	\$2,737,765	\$233,338,957
2021-2022	\$117,819,000	\$742,322	\$1,012,690	\$116,063,988
<b>Grand Total</b>	<b>\$998,391,339</b>	<b>\$544,362,426</b>	<b>\$82,237,931</b>	<b>\$371,790,983</b>

Scheduling of the allotment requests are based on priority and the following factors:

- A. On-going projects that require funds to bid shortly are scheduled highest,
- B. Projects that require more time for permitting and travel are scheduled higher,
- C. Projects that are large in dollar values and are more complicated are scheduled higher,
- D. Federally funded projects that have political risks of being canceled are scheduled higher, and
- E. Design-only projects that have little risk of lapsing are scheduled low.

Currently, there are a total of 649 CIP projects, valued at more than \$1.4 billion, that are being managed by the Department. Of this total, there are 514 projects that are in design or actively being constructed, totaling nearly \$1.1 billion. There are 135 projects that are currently being planned or scoped for design at a preliminary contracted cost of \$325.6 million.

<b>Project Milestones</b>	<b>Number of Projects</b>	<b>Contracted Cost</b>
Planning	20	\$31,386,000.00
Scoping	115	\$294,220,000.00
Design Contract	92	\$131,682,000.00
Design	55	\$141,734,000.00
Bid	14	\$18,425,000.00
Construction Contracting	97	\$223,268,897.00
Construction	256	\$598,191,317.00
<b>TOTAL</b>	<b>649</b>	<b>\$1,438,907,214.00</b>

**CIP Variance:**

There are no material variances to report at this time.

**Special Projects:**

In addition to the prioritized school and line-item CIP projects, the Department is focusing on three special projects to increase efficiency and improve work and learning environments:

- **Center for Workforce Excellence: Wahiawa and the New Central Kitchen – Whitmore Village, Wahiawa, Oahu**

OFO has worked with the University of Hawaii (UH) School of Architecture’s Community Design Center to develop the proof of concept of the central kitchen. The Department has reached out to the Wahiawa Neighborhood Board and has completed the first community open house for the Center for Workforce Development which includes the new library, UH Community College Innovation Center, the Department’s new central Oahu district office, and the new alternative learning center (Storefront) facility in Wahiawa.

- **St. Francis School – Manoa Valley, Honolulu, Oahu**  
The former St. Francis School site has been available for the past three years. The Department is exploring the feasibility of acquiring this property. The purchase of this property requires an education element. The planning team has been working to improve efficiency by concentrating operations in a contiguous space such as St. Francis. Opportunities for training facilities (large space for meetings), business offices, and possible lodging for staff from neighboring islands attending meetings and conferences on Oahu are being considered. The property's adjacency to UH creates a synergy that will benefit both organizations. This opportunity will also reduce the need to rent office space in private facilities.
- **Ventilation – 377 Classrooms in Seven Schools**  
Improving ventilation for 377 classrooms at seven schools will address concerns regarding air quality of the classrooms classified in tiers 3, 4, and 5. OFO has provided expanded air purifiers (Corsi-Rosenthal air purifiers) to schools for classrooms in Tiers 4 and 5, which will remove these classrooms from the list. OFO has begun building the purifiers for the remaining Tier 3 classrooms.

#### **Deferred Maintenance Program (R&M)**

The Department continues to transition its method of prioritizing school-level projects to an overall statewide ranking of deferred maintenance projects based on assessments (HI-FIT) and an assets and projects database (FAM).

The Department will continue to use the HI-FIT school and infrastructure assessments to evaluate:

- Exterior building envelopes;
- Fire alarm systems;
- Electrical systems;
- Structural systems;
- Mechanical systems; and
- Civil infrastructure (water, sewer, drainage).

Should you have any questions, please contact Randall Tanaka, Assistant Superintendent of the Office of Facilities and Operations, at (808) 784-5000 or via email at [randall.tanaka@k12.hi.us](mailto:randall.tanaka@k12.hi.us).

Thank you for your continued support of public education.

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