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TESTIMONY BEFORE THE BOARD OF EDUCATION
GENERAL BUSINESS MEETING

RE: AGENDA ITEM VI, B, BOARD ACTION ON FINANCE AND
INFRASTRUCTURE RECOMMENDATIONS CONCERNING BOARD OF
EDUCATION POLIC 301-2, CREATING COMMUNITIES OF LEARNERS

THURSDAY, FEBRUARY 1, 2018

COREY ROSENLEE, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

Chair Mizumoto and Members of the Committee:

Our state's public school buildings are approximately 65-years-old on average. Facilities are damaged, restrooms and water foundations are in disrepair, classroom windows are broken, and campuses are plagued by rat and insect infestations. Our students, especially those with special needs, are subjected to dilapidated infrastructure. Though our state's repair and maintenance backlog has declined, the total cost of lingering projects runs into the hundreds of millions of dollars. Maintenance and capacity problems are particularly painful for developing communities, like the 'Ewa Plain, which will welcome 28,000 more buildings by the year 2021, and Kaka'ako, in which 39,000 new multi-family units are projected to be built within an approximately half-mile radius of rail transit stations, per the Honolulu Community Development Authority. On a different, but no less imperative, note, some schools are not Title IX compliant because, for example, they have locker rooms for boys, but not for girls. Gender inequity, too, could worsen if facilities funding is left unaddressed and population density continues to swell.

During the 2016 legislative session, lawmakers passed Act 130 and Act 237, allowing fee-in-lieu funds collected in Honolulu's urban core—which the bills specifically defined as the Kalihi to Ala Moana school impact fee district—to be spent on purchasing completed construction, leasing land or facilities, and improving or

renovating existing structures for school use. Following passage of these proposals, Department of Education officials performed an analysis of the district in question. In their original recommendation, they estimated revenue generated from the additional 39,000 units being built in the district to be \$22,736,872 in \$584-per-unit construction cost component impact fees and the equivalent of 63.5 acres of land, with a fee-in-lieu impact fee amount of \$8,790 per unit if money is tendered by developers instead of land. Thus, the total all-cash fee would be \$9,374 per new unit or a total of \$365,586,000, once the department begins collecting revenue.

Yet, concerns have been raised about the impact of the fee amount on affordable housing. In turn, at the January hearing of the Board of Education's Finance and Infrastructure Committee, the DOE proposed the urban exception that is before the full board today. HSTA is concerned that, if enacted, the policy exception proposed by the department will significantly reduce the land requirement of school impact fees in the urban core, which will effectively reduce the overall value of the fee itself. We understand that there isn't as much vacant land in the urban core as there is in rural areas, so the "fee-in-lieu" of land component of the prior impact fee analysis is subject to contestation and, if implemented, potential litigation. At the same time, lowering the acreage amount for new school facilities to 2.5 to 10 acres will place board policy in conflict with state impact fee law and could dramatically lessen the total revenue accrued from the Kalihi-Ala Moana School Impact Fee and, in turn, money generated for facilities. We believe in the concept of vertical, 21st Century schools. We feel that the board should do all that it can, though, to increase funding for our cash-starved school system. Accordingly, we are asking you, today, defer this policy amendment and, instead, all the department to fully implement the original \$9,374 per-unit impact fee amount and seek an exemption from impact fees for affordable housing during this year's legislative session.

A quality education is priceless. To provide our children with quality school facilities, the Hawaii State Teachers Association asks the board to move forward with the Kalihi-Ala Moana school impact fee as quickly as possible.

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