



STATE OF HAWAII
DEPARTMENT OF EDUCATION
KA 'OIHANA HO'ONA'AUAO
P.O. BOX 2360
HONOLULU, HAWAII 96804

OFFICE OF THE SUPERINTENDENT

October 9, 2025

TO: The Honorable Ken Kuraya
Chairperson, Finance and Infrastructure Committee

FROM: Keith T. Hayashi 
for Superintendent

SUBJECT: Department of Education's supplemental capital improvement projects budget request for fiscal year 2026-2027

1. EXECUTIVE SUMMARY

- The Hawaii State Department of Education (Department) seeks approval of its Fiscal Year 2026-2027 (FY27) Supplemental Capital Improvement Program (CIP) budget.
- The Department has re-evaluated and will continue to reassess the CIP and deferred maintenance priorities with an updated perspective and is in the process of refining its prioritization process to distinguish the "necessity" compared to the "wants."
- This CIP request is the Department's continued step toward a more fiscally responsible, targeted, and sustainable strategy to address the basic infrastructure necessity of an evolving and dynamic public education system.
- Much of this request is categorized into 11 buckets or "lump sum categories" that provide efficient and manageable categorization of the Department's facility and infrastructure projects.

2. RECOMMENDATION

The Department respectfully recommends the approval of its FY27 Supplemental CIP budget of \$784,358,000. Along with FY26 funds shown in Act 250/Session Laws of

Hawaii (SLH) 2025 (Act 250/25), the total funding for the CIP budget in FY27 is \$950,858,000. The table below lists the Department’s supplemental budget request, including Act 250/25 budget items with FY27 funding:

Program Categories	Act 250/25 for FY27	Supplemental FY27
Lump Sum CIP – Deferred Maintenance	\$0	\$200,000,000
Lump Sum CIP – Federal Grants	\$150,000,000	\$0
Lump Sum CIP – Health and Safety	\$0	\$50,000,000
Lump Sum CIP – Planning, Design and Land Acquisition	\$0	\$6,000,000
Lump Sum CIP – Capacity	\$0	\$288,308,000
Lump Sum CIP – Temporary Facilities	\$0	\$3,000,000
Lump Sum CIP – Instructional	\$0	\$20,000,000
Lump Sum CIP – Support Facilities	\$0	\$68,200,000
Lump Sum CIP – Compliance	\$0	\$60,950,000
Lump Sum CIP – Project Completion	\$0	\$50,000,000
Lump Sum CIP – Telecommunication Infrastructure	\$0	\$7,900,000
Line Item Funding from Act 250/25 for FY27	\$16,500,000	\$30,000,000
TOTAL FY27 Supplemental CIP Budget Request and TOTAL Act 250/25 FY27 Funds	\$166,500,000	\$784,358,000
TOTAL FY27 CIP Budget	\$950,858,000	

3. RECOMMENDED EFFECTIVE DATE

Upon the Hawaii State Board of Education’s (Board) approval, the Department will prepare the FY27 Supplemental CIP budget request for submission to the Hawaii State Department of Budget and Finance (B&F) for the Governor’s consideration.

4. RECOMMENDED COMPLIANCE DATE (if different from the effective date)

The Department is required to submit its CIP tables and forms to the B&F as prescribed by the B&F’s September 12, 2025, Finance Memorandum 25-13, FY27 Supplemental Budget Policies and Guidelines by October 6, 2025. However, due to the timing of the Board meeting, the Department requested an extension from the B&F as it has done in previous years. The extension has been granted, and the new submission date will be October 13, 2025.

5. DISCUSSION

a. Conditions leading to the recommendation:

The Department’s FY27 Supplemental CIP budget request includes funding in the following eleven major program areas based on the B&F Finance Memorandum 25-13 guidance:

- Deferred Maintenance (Major Repair & Maintenance (Major R&M));
- Federal Grants;
- Health and Safety;

- Planning, Design, and Land Acquisition;
- Capacity;
- Temporary Facilities;
- Instructional;
- Support Facilities;
- Compliance;
- Project Completion; and
- Telecommunication Infrastructure.

We have also included the following line item requests:

- Various Schools, Statewide, Expansion of Regional Kitchens, Statewide; and
- Various Schools, Leilehua-Mililani-Waiialua Complex Area, Kitchen Retrofits to Support the Regional Kitchen.

The attachment provides the details of the Department's budget proposal.

Deferred Maintenance Projects (Major R&M)

The Department requests \$200,000,000 for Deferred Maintenance Projects funding to supplement the Act 250/25 funds and provide a total budget to meet the biennium funding needs to maintain campuses statewide. The funding will improve facilities in need of repairs or replacements to prolong the useful life of our schools, infrastructure, and facilities, resulting in future cost savings. Our financing challenges compound our inability to address the growing maintenance backlog.

Federal Grants

The Department is not requesting additional funding for this program since lump sum federal grant funding was appropriated in Act 250/25 for FY27 in the amount of \$30,000,000 in general obligation bond funds and a matching \$120,000,000 in federal funds.

Health and Safety

The Department requests \$50,000,000 for FY27 to address fire alarm replacements, elevator replacements and/or modernization, electrical upgrades, sewer and water systems, traffic safety and parking, flood mitigation, security fencing, etc. for various schools.

Planning, Design, and Land Acquisition

The Department requests \$6,000,000 for FY27 to address potential land acquisition, site studies, master planning, and a new, updated facility assessment management plan statewide. The last updated facility assessment was completed in 2017-2018.

Capacity

The Department requests \$283,028,000 in general obligation bond funds, along with \$5,280,000 in fair share (other funds) for FY27. This will cover the remaining project costs for East Kapolei Elementary School and the King Kamehameha III Elementary School, and the start of planning and design for Koa Ridge Elementary School.

Temporary Facilities

The Department requests \$3,000,000 for FY27 for temporary facilities. Temporary facilities may include portable classrooms, trailers, or modular structures. This year, the request is for portable classrooms, including their associated infrastructure and covered walkways, at Keonepoko Elementary School.

Instructional

The Department requests \$20,000,000 for FY27 for instructional facilities. This year, the request is to replace the music building at Waialua High School and demolish the deteriorating existing building.

Support Facilities

The Department requests \$68,200,000 for FY27 for overdue replacement facilities, including a gymnasium, administration-library, and baseball field improvements. This category typically includes campus support facilities such as administration and libraries, cafeteria facilities, and new or expanded multipurpose, physical education, athletic facilities, state and/or district offices, and pedestrian safety improvements.

Compliance

The Department requests \$60,950,000 for FY27 to complete ongoing design and construction for the following:

- Americans with Disabilities Act (ADA) improvements for public accommodations;
- Program access for public and student accommodations;
- Corrective actions for Career and Technical Education audits; and
- Gender equity improvements for girls' athletic locker rooms and softball facilities.

If funds are not provided, construction for both new and ongoing compliance projects will be delayed another year. Compliance funding is a recurring need to complete ADA upgrades and gender equity projects at schools statewide. In addition to supporting construction, the requested funds will initiate design work for future projects, ensuring they are construction-ready in the next budget cycle. This lead time is essential for securing building permits and preparing for bidding and construction. These projects will deliver corrective improvements to meet the requirements of the 2010 ADA Standards and Title IX gender equity laws.

Project Completion

The Department requests \$50,000,000 for FY27 for the completion of ongoing CIP projects for construction management services, additional contingencies for unforeseen and unanticipated site conditions, and escalation funding to ensure completion.

Of the \$50,000,000 mentioned, \$2,000,000 is allocated for furnishing new buildings and facilities with student and non-position-related furniture. This is a recurring request, as these funds are typically needed near the end of construction, often after the original project funds have lapsed.

Construction management services are vital to ensure that construction milestones, inspections, and requests for information for change orders are coordinated, processed, and completed. This funding is necessary to ensure that all projects being bid on and awarded are completed.

There are two active projects with Notices to Proceed (NTP) totaling \$29,170,000, and ten additional projects valued at \$55,150,000 awaiting NTP's. These pending projects will require construction management services and additional contingency funding and may be subject to escalation claims. Without sufficient funding, projects risk cancellation and potential lapses of allocated funds.

Telecommunication Infrastructure

The Department requests \$7,900,000 for FY27 to complete needed improvements or replacements of its bell and paging systems. There are eight schools identified this year.

Line Items

1. Various Schools, Statewide, Expansion of Regional Kitchens, Statewide

The Department is not requesting additional funding for this program since a line item was appropriated in Act 250/25 for FY27 in the amount of \$16,500,000.

2. Various Schools, Leilehua-Mililani-Waiialua Complex Area, Kitchen Retrofits to Support the Regional Kitchen

The Department is requesting \$30,000,000 in FY27 to retrofit and renovate existing school kitchens to support meal service from a regional kitchen. Upgrades will include loading areas, walk-in freezers, essential equipment, and utility improvements, ensuring efficient handling and distribution of regionally prepared meals.

- b. Previous action of the Board and Committee(s) on the same or similar matter:
In accordance with Board Policies 303-1 and 400-1, the Board approved previous CIP biennium budget proposals, most recently for Fiscal Biennium 2025-2027 on October 31, 2024 (see action before adjournment in the following Board minutes):
Board of Education Meeting Minutes October 31, 2024.

c. Other policies affected:

There are no other policies affected.

d. Arguments in support of the recommendation:

See 5.a. above.

e. Arguments against the recommendation:

There are no arguments against the recommendation of this FY27 supplemental funding request.

f. Other agencies or departments of the State of Hawaii involved in the action:

The FY27 supplemental request was crafted according to guidelines set by the B&F. The Governor considers all proposals submitted by the State agencies and determines the Executive Supplemental Budget which is then presented to the Legislature for deliberation and approval. The Department is dependent on the legislative session to determine the final CIP appropriations which the Governor then needs to approve.

g. Possible reaction from the public, professional organizations, unions, Department staff and/or others to the recommendations:

The Department anticipates support from the public and schools for funding requests related to school facilities improvements.

h. Educational implications:

The CIP budget allows the Department to maintain and advance the educational services provided for our students, families, and staff to ensure student success. Improved facilities support student academic achievement; student and staff well-being; and safe, healthy, and age and culturally appropriate learning environments, which together provide the optimal conditions for effective teaching and learning. The operations of the Department collectively provide for the effective and efficient delivery of educational services to students across the public school system.

i. Personnel implications:

While the Department continues to fill critical vacancies, the intensity and pace of the biennium cycle create persistent workload challenges. The Department is actively working to hire and retain skilled professionals as the cyclical nature of CIP delivery demands consistent coordination, adaptability, and resilience across teams.

The Department continues to manage the lump sum and line item CIP projects within the constraints of the biennium cycle. Each two-year period requires rapid execution from requesting allotments to completing design, permitting, bidding, and construction before

funds lapse. This recurring timeline places sustained pressure on personnel, especially technical and project management staff, who must operate at peak capacity year after year.

j. Facilities implications:

The CIP budget submission prioritizes the modernization, renovation, and completion of school facilities across the public school system. The FY27 funding request is aimed at creating safe, functional, and future-ready learning environments that support high quality instruction and promote equitable access for all students. These investments will enhance campus infrastructure, improve educational delivery, and directly contribute to student success and well-being.

k. Financial implications:

The budget request is organized into lump sum categories to streamline the release of funds and accelerate project implementation. This FY27 request reflects an increase from last year's submission, aimed at addressing biennium priorities that were not funded in the first year. Despite this adjustment, the overall 2025-2027 biennium budget request represents a reduction compared to the Department's previous biennium submission.

6. OTHER SUPPLEMENTARY RECOMMENDATIONS

None.

KTH:ju
Attachment

c: Jesse Souki, Deputy Superintendent of Operations
Audrey Hidano, Interim Assistant Superintendent, Office of Facilities and Operations
Facilities Development Branch

Department of Education Capital Improvements Program (CIP) Supplemental Budget for Fiscal Year
2026-2027 (FY 2027)

Costs in Thousands, EDN 100, MOF C (general obligation bond funds, unless noted otherwise)

Prioritized List of CIP Projects			FY 2027	FY 2027
School	Project	Sub category	Act 250/SLH25 Appropriated	Add'l Request Project cost
DEFERRED MAINTENANCE PROGRAM			\$0	\$200,000
FEDERAL GRANTS			\$150,000	\$0
Hickam Elementary School	Campus Improvements (qualifies for federal \$)	(MOF P)	\$16,500	
			\$66,000	
Lehua Elementary School	Campus Improvements (qualifies for federal \$)	(MOF P)	\$13,500	
			\$54,000	
HEALTH & SAFETY			\$0	\$50,000
PLANNING, DESIGN AND LAND ACQUISITION			\$0	\$6,000
Various Schools, Statewide	Planning, Design, Site Studies, Land Acquisition	Planning		\$2,000
Various Schools, Statewide	Facility Asset Management Update, Statewide	Planning		\$4,000
CAPACITY			\$0	\$288,308
East Kapolei Elementary School	New School (partial use of Fair Share funds)	(MOF X)		\$142,028
				\$3,972
King Kamehameha III Elementary School	Replacement School	New School		\$141,000
Koa Ridge Elementary School	New School (start design w/ Fair Share funds)	(MOF X)		\$1,308
TEMPORARY FACILITIES			\$0	\$3,000
Keonepoko Elementary School	Additional Portables with Covered Walkways	Kaiapuni Program		\$3,000
INSTRUCTIONAL			\$0	\$20,000
Waialua High & Intermediate School	New Music Building	Instructional		\$20,000
SUPPORT FACILITIES			\$0	\$68,200
Kohala High School	Gymnasium	Support		\$39,000
Helemano Elementary School	Administration/Library	Support		\$25,500
Nanakuli High & Intermediate School	Baseball Field Improvements	Support		\$3,700
COMPLIANCE			\$0	\$60,950
Various Schools, Statewide	ADA Improvements	ADA		\$2,600
Various Schools, Statewide	Gender Equity Improvements	Gender Equity		\$2,250
Jarrett Middle School	ADA Improvements (OCR)	ADA		\$3,800
Leilehua High School	ADA Improvements (CTE)	ADA		\$4,000
Waiakea High School	Girls Athletic Locker Room	Gender Equity		\$14,100
Waipahu High School	ADA Improvements (CTE)	ADA		\$800
Castle High School	Softball Field Improvements	Gender Equity		\$6,300
Maui High School	Softball Stadium Improvements	Gender Equity		\$7,300
Kaimuki High School	Softball Field Improvements	Gender Equity		\$3,100
Leilehua High School	Girls Athletic Locker Room	Gender Equity		\$7,000
Hana High & Elementary School	Girls Athletic Locker Room	Gender Equity		\$4,800
Waianae High School	Softball Field Improvements	Gender Equity		\$4,000
Honokaa High & Intermediate School	Girls Athletic Locker Room	Gender Equity		\$900

Prioritized List of CIP Projects			FY 2027	FY 2027
School	Project	Sub category	Act 250/SLH25 Appropriated	Add'l Request Project cost
PROJECT COMPLETION			\$0	\$50,000
Various Schools, Statewide	Project Contingencies			\$35,000
Various Schools, Statewide	Construction Management Services			\$13,000
Various Schools, Statewide	Furniture and Equipment			\$2,000
TELECOMMUNICATION INFRASTRUCTURE			\$0	\$7,900
Baldwin High School	Telecommunication Upgrades			\$1,940
Fern Elementary School	Telecommunication Upgrades			\$810
Kalihi Waena Elementary School	Telecommunication Upgrades			\$765
Pauoa Elementary School	Telecommunication Upgrades			\$670
Pomaikai Elementary School	Telecommunication Upgrades			\$815
Koloa Elementary School	Telecommunication Upgrades			\$1,060
Wilcox Elementary School	Telecommunication Upgrades			\$590
Kalaheo Elementary School	Telecommunication Upgrades			\$1,250
LINE ITEMS			\$16,500	\$30,000
Various Schools, Statewide	Expansion of Regional Kitchens, Statewide		\$16,500	
Various Schools, Leilehua-Mililani-Waialua Complex Area	Kitchen Retrofits to Support the Regional Kitchen			\$30,000
Subtotal MOF C			\$46,500	\$779,078
Subtotal MOF P			\$120,000	
Subtotal MOF X				\$5,280
Total FY 27 Budget (Act 250/SLH2025 and Additional Request)			\$166,500	\$784,358
Total Supplemental Budget =			\$950,858	
Acronym Legend:				
ADA = Americans with Disabilities Act	MOF = Means of Financing	SPED = Special Education		
CIP = Capital Improvement Program	MOF P = other federal funds	STEM = Science, Technology, Engineering, Math		
CTE = Career and Technical Education	MOF X = other funds (Fair Share)			
	OCR = U.S. Office of Civil Rights			