

JAN 23 2020

A BILL FOR AN ACT

RELATING TO A SCHOOL FACILITIES AGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 302A, Hawaii Revised Statutes, is
2 amended by adding a new subpart to part VI to be appropriately
3 designated and to read as follows:

4 " . School Facilities Agency

5 **§302A-A Definitions.** As used in this subpart, "agency"
6 means the school facilities agency established by
7 section 302A-B.

8 **§302A-B School facilities agency; established.** (a) There
9 is established the school facilities agency, which shall be a
10 body corporate and a public instrumentality of the State, for
11 the purpose of implementing this subpart. The agency shall be
12 placed within the department for administrative purposes only.

13 (b) The governor shall appoint an executive director to
14 enable the agency to perform its duties. The appointment shall
15 be:

16 (1) Exempt from chapter 76 and the term limitation in
17 section 26-34;



1 (2) Subject to the advice and consent of the senate; and

2 (3) For a term of six years.

3 If a vacancy occurs during a term, the governor shall appoint an
4 executive director for a six-year term that shall begin on the
5 first date of employment of the new executive director.

6 (c) The executive director shall:

7 (1) Serve as the agency's chief executive officer;

8 (2) Be responsible for carrying out the purposes of the
9 agency; and

10 (3) Serve on a full-time basis.

11 **§302A-C Powers; generally.** (a) Except as otherwise
12 limited by this chapter, the agency shall be responsible for all
13 public school development, planning, and construction related to
14 capital improvement projects assigned by the legislature,
15 governor, or board of education.

16 (b) The projects of the agency shall be exempt from
17 chapters 6E, 37, 76, 103, 103D, and 343 and all county
18 ordinances except the respective building codes; provided that
19 the agency shall establish and publish transparency initiatives
20 as prescribed by the agency to ensure that the public is
21 properly informed of its activities, to deter fraud and



1 malfeasance, and to allow for public input; provided further
2 that the agency shall adopt rules that provide substantially
3 similar protections to those required by chapter 343.

4 (c) Except as otherwise limited by this chapter, the
5 agency may also:

- 6 (1) Have a seal and alter the same at its pleasure;
- 7 (2) Make and execute contracts and all other instruments
8 necessary or convenient for the exercise of its powers
9 and functions under this subpart;
- 10 (3) Make and alter bylaws for its organization and
11 internal management;
- 12 (4) Make rules with respect to its projects, operations,
13 properties, and facilities, which rules shall be in
14 conformance with chapter 91;
- 15 (5) Through its executive director appoint officers,
16 agents, and employees, prescribe their duties and
17 qualifications, and fix their salaries, without regard
18 to chapter 76;
- 19 (6) Acquire, reacquire, or contract to acquire or
20 reacquire by grant or purchase real, personal, or
21 mixed property or any interest therein; to own, hold,



1 clear, improve, and rehabilitate and to sell, assign,
2 exchange, transfer, convey, lease, or otherwise
3 dispose of or encumber the same;

4 (7) Acquire or reacquire by condemnation real, personal,
5 or mixed property or any interest therein for public
6 facilities, including but not limited to streets,
7 sidewalks, parks, schools, and other public
8 improvements;

9 (8) By itself, or in partnership with qualified persons,
10 acquire, reacquire, construct, reconstruct,
11 rehabilitate, improve, alter, or repair or provide for
12 the construction, reconstruction, improvement,
13 alteration, or repair of any project; own, hold, sell,
14 assign, transfer, convey, exchange, lease, or
15 otherwise dispose of or encumber any project, and in
16 the case of the sale of any project, accept a purchase
17 money mortgage in connection therewith; and repurchase
18 or otherwise acquire any project that the agency has
19 theretofore sold or otherwise conveyed, transferred,
20 or disposed of;



- 1 (9) Arrange or contract for the planning, replanning,
2 opening, grading, or closing of streets, roads,
3 roadways, alleys, or other places, or for the
4 furnishing of facilities or for the acquisition of
5 property or property rights or for the furnishing of
6 property or services in connection with a project;
- 7 (10) Grant options to purchase any project or to renew any
8 lease entered into by it in connection with any of its
9 projects, on terms and conditions as it deems
10 advisable;
- 11 (11) Prepare or cause to be prepared plans, specifications,
12 designs, and estimates of costs for the construction,
13 reconstruction, rehabilitation, improvement,
14 alteration, or repair of any project, and from time to
15 time to modify the plans, specifications, designs, or
16 estimates;
- 17 (12) Provide advisory, consultative, training, and
18 educational services, technical assistance, and advice
19 to any person, partnership, or corporation, either
20 public or private, to carry out the purposes of this
21 subpart, and engage the services of consultants on a



1 contractual basis for rendering professional and
2 technical assistance and advice;

3 (13) Procure insurance against any loss in connection with
4 its property and other assets and operations in
5 amounts and from insurers as it deems desirable;

6 (14) Contract for and accept gifts or grants in any form
7 from any public agency or from any other source,
8 including gifts or grants from private individuals and
9 private entities; and

10 (15) Do any and all things necessary to carry out its
11 purposes and exercise the powers given and granted in
12 this subpart.

13 **§302A-D School facilities board.** (a) There is
14 established within the department of education for
15 administrative purposes only a school facilities board.

16 (b) The school facilities board shall consist of eleven
17 voting members. The superintendent of education, or the
18 superintendent's designee, and a member of the board of
19 education selected by the chairperson of the board of education
20 shall serve as ex officio, voting members of the school
21 facilities board. The other nine members shall:



1 (1) Be appointed by the governor pursuant to section
2 26-34;

3 (2) Not be subject to section 84-17; and

4 (3) Have an interest in school construction.

5 (c) The school facilities board shall advise the agency on
6 policies relating to public school development, planning, and
7 construction within the jurisdiction of the agency. The board
8 shall be responsible for:

9 (1) Advising the agency on preferred strategies to
10 complete construction projects of the agency; and

11 (2) Evaluating the executive director on an annual basis.

12 (d) The school facilities board shall select a chairperson
13 by a majority vote of its voting members. A majority of the
14 voting members serving on the board shall constitute a quorum to
15 conduct business. The concurrence of the majority of the voting
16 members serving on the board shall be necessary to make any
17 action of the board valid.

18 (e) The school facilities board may form workgroups and
19 subcommittees, including with individuals who are not school
20 facilities board members, to:



- 1 (1) Obtain resource information from construction and
2 education professionals and other individuals as
3 deemed necessary by the school facilities board;
- 4 (2) Make recommendations to the school facilities board;
5 and
- 6 (3) Perform other functions as deemed necessary by the
7 school facilities board to fulfill its duties and
8 responsibilities.

9 Two or more school facilities board members, but less than
10 a quorum, may discuss matters relating to official school
11 facilities board business in the course of their participation
12 in a workgroup or subcommittee, and these discussions shall be a
13 permitted interaction as provided for in section 92-2.5.

14 (f) The school facilities board may testify before the
15 legislature on any matter related to its duties and
16 responsibilities.

17 (g) Members of the school facilities board shall serve
18 without compensation but may be reimbursed for expenses,
19 including travel expenses, necessary for the performance of
20 their duties.



1 **§302A-E Use of public lands; acquisition of state lands.**

2 (a) If state lands under the control and management of another
3 department are required by the agency for its purposes, the
4 department having the control and management of those required
5 lands, upon request by the agency and with the approval of the
6 governor, may convey or lease those lands to the agency upon
7 terms and conditions as may be agreed to by the parties.

8 (b) Notwithstanding the foregoing and section 302A-C(c),
9 no public lands shall be conveyed or leased to the agency as
10 provided in this section if the conveyance or lease would impair
11 any covenant between the State or any county or any department
12 or board thereof and the holders of bonds issued by the State or
13 county, department, or board.

14 **§302A-F School facilities special fund.** (a) There is
15 established within the state treasury a special fund to be known
16 as the school facilities special fund into which shall be
17 deposited:

18 (1) All moneys appropriated by the legislature for any
19 public school development, planning, or construction
20 related to a capital improvement project;



- 1 (2) Revenues pursuant to 302A-1608(a); provided that these
2 moneys shall be deposited into the appropriate
3 subaccount established pursuant to subsection (b);
- 4 (3) Any other moneys received by the department in the
5 form of a grant, gift, endowment, or donation for any
6 public school development, planning, or construction
7 related to a capital improvement project;
- 8 (4) All moneys allocated to the fund by the governor or
9 board for a project;
- 10 (5) Any other appropriation by the legislature to the
11 fund;
- 12 (6) Income and capital gains earned by the fund.
- 13 (b) The agency shall establish and appropriately name
14 subaccounts within the fund to accept deposits of revenues from
15 school impact fees that are required to be expended within a
16 specific school impact district pursuant to 302A-1608(a) or
17 restricted to another specific purpose pursuant to part V,
18 subpart B of this chapter.
- 19 (c) The special fund shall be administered by the agency
20 and used to fund any school construction, repair, or maintenance
21 project within the jurisdiction of the agency.



1 (d) Any law to the contrary notwithstanding, the governor
2 may authorize expenditures from the special fund of any
3 donation, grant, bequest, and devise of money from any private
4 institution, person, firm, or corporation for the purposes of
5 funding the salaries of the executive director and any officers,
6 agents, and employees of the agency. If all or any portion of
7 any salary of the executive director or any officer, agent, or
8 employee of the agency is funded pursuant to this subsection,
9 the agency shall submit a report to the legislature detailing
10 the use of any funds authorized under this subsection no later
11 than twenty days prior to the convening of each regular session.

12 (e) The agency may transfer any other unencumbered or
13 unrestricted moneys received in the form of grants and donations
14 for school construction, repair, or maintenance to the Hawaii
15 3R's school improvement fund established pursuant to section
16 302A-H.

17 (f) The agency shall submit to the director of finance a
18 report that shall be prepared in the form prescribed by the
19 director of finance and shall identify the total amount of funds
20 in the school facilities special fund that will carry over to
21 the next fiscal year. The agency shall submit the report to the



1 director of finance within ninety days of the close of each
2 fiscal year and a copy of the information contained in the
3 report to the director of finance shall be included within the
4 agency's report to the legislature pursuant to section 302A-F.

5 **§302A-G Annual report.** The agency shall submit to the
6 governor, the board of education, and the legislature, at least
7 twenty days prior to the start of any regular session, a
8 complete and detailed report of its activities during the prior
9 fiscal year. **§302A-H Hawaii 3R's school improvement fund.**

10 (a) There is established the Hawaii 3R's school improvement
11 fund (hereinafter, "fund") as a separate restricted fund of
12 Hawaii 3R's, a Hawaii nonprofit organization. Moneys received
13 from the State, county, or federal government, private
14 contributions of cash or other property, and the income and
15 capital gains earned by the fund shall constitute the fund's
16 assets.

17 (b) Hawaii 3R's shall expend moneys from the fund in the
18 form of either grants to organizations or contracts with private
19 vendors for the improvement of public schools and benefit of
20 students in Hawaii in accordance with this section.



1 (c) The fund may receive contributions, grants,
2 endowments, or gifts in cash or otherwise from all sources,
3 including corporations or other businesses, foundations,
4 government, individuals, and other interested parties. The fund
5 shall also receive moneys transferred to it from the school-
6 level minor repairs and maintenance special fund established
7 under section 302A-1504.5. The legislature intends that public
8 and private sectors review and investigate all potential funding
9 sources. The State may appropriate moneys to the fund; provided
10 that any appropriations made by the State are not intended to
11 supplant the funding of any existing programs.

12 (d) Chapter 103D shall not apply to organizations or
13 agencies that apply for grants or contracts under this section;
14 provided that Hawaii 3R's shall be held accountable under a
15 contract with the agency for the use of the funds.

16 (e) The fund shall not be placed in the state treasury,
17 and the State shall not be liable for the operation or solvency
18 of the fund or Hawaii 3R's.

19 **§302A-I Hawaii 3Ts school technology laboratories fund.**

20 (a) There is established the Hawaii 3Ts school technology
21 laboratories fund (hereinafter, "fund") as a separate fund of



1 the Economic Development Alliance of Hawaii, Inc., a Hawaii
2 nonprofit organization. Moneys received from the State, county,
3 or federal government, private contributions of cash or other
4 property, and the income and capital gains earned by the fund
5 shall constitute its assets.

6 (b) The Economic Development Alliance of Hawaii, Inc.,
7 shall expend moneys in the form of either grants to
8 organizations or contracts with private vendors from the fund
9 for the establishment and maintenance of technology laboratories
10 in public schools in Hawaii. The expenditures shall be in
11 accordance with this section and consistent with the criteria
12 and recommendations of the Hawaii 3Ts school technology
13 laboratories board.

14 (c) The fund may receive contributions, grants,
15 endowments, or gifts in cash or otherwise from all sources,
16 including corporations or other businesses, foundations,
17 government, individuals, and other interested parties. The
18 legislature intends that the public and private sectors work
19 together as partners in securing contributions for the fund, and
20 that the Economic Development Alliance of Hawaii, Inc., through
21 its Hawaii 3Ts project, assist the public and private sectors in



1 reviewing and investigating all potential funding sources. The
2 State may appropriate moneys to the fund; provided that any
3 appropriations made by the State are not intended to supplant
4 the funding of any existing public school programs for the
5 establishment and maintenance of school technology laboratories.

6 (d) The Economic Development Alliance of Hawaii, Inc.,
7 shall appoint the members of the Hawaii 3Ts school technology
8 laboratories board, which shall be responsible for:

- 9 (1) Soliciting and otherwise raising moneys for the fund;
- 10 (2) Establishing criteria for proposals to be funded and
11 the expenditure of funds;
- 12 (3) Reviewing grant proposals utilizing criteria
13 established by Hawaii 3Ts school technology
14 laboratories board; and
- 15 (4) Making recommendations for grants and other specific
16 expenditures to the Economic Development Alliance of
17 Hawaii, Inc.

18 Members of the advisory board shall be stakeholders in Hawaii's
19 public education and workforce development entities, including
20 students and parents, teachers and principals, business and
21 community leaders, representatives from the county economic



1 development boards, and representatives from the department of
2 education, the department of business, economic development, and
3 tourism, and the department of accounting and general services.

4 (e) In managing the moneys in the fund, the Economic
5 Development Alliance of Hawaii, Inc., shall exercise ordinary
6 business care and prudence given the facts and circumstances
7 prevailing at the time of action or decision. In doing so, the
8 Economic Development Alliance of Hawaii, Inc., shall consider
9 its long-term and short-term needs in carrying out its purposes,
10 its present and anticipated financial requirements, expected
11 total return on its investments, price trends, and general
12 economic conditions.

13 (f) There may be an endowment component of the fund.

14 (g) The use of any state moneys may be restricted by the
15 legislation appropriating these moneys to the fund.

16 (h) The Economic Development Alliance of Hawaii, Inc., may
17 expend the principal from the fund for the purposes of the fund.

18 (i) At the time of application, an organization submitting
19 a proposal to the Economic Development Alliance of Hawaii, Inc.,
20 for fund moneys shall:



- 1 (1) Be a for-profit organization duly registered under the
2 laws of the State, or be a nonprofit organization
3 determined by the Internal Revenue Service to be
4 exempt from the federal income tax, or be an agency of
5 the State or a county;
- 6 (2) In the case of a nonprofit organization, have a
7 governing board whose members have no material
8 conflict of interest and serve without compensation;
- 9 (3) In the case of an applicant that is not a state or
10 county government agency, have bylaws or policies that
11 describe the manner in which business is conducted and
12 policies that relate to the management of potential
13 conflicts of interest;
- 14 (4) Have experience with the project or the program area
15 for which the proposal is being made; and
- 16 (5) Be licensed and accredited, as applicable, in
17 accordance with the requirements of federal, state,
18 and county governments.
- 19 (j) All proposals approved by the Hawaii 3Ts school
20 technology laboratories board and for which the Economic
21 Development Alliance of Hawaii, Inc., intends to provide fund



1 moneys shall be approved by the director of business, economic
2 development, and tourism for consistency in meeting the purposes
3 of this section.

4 (k) Organizations or agencies to which fund moneys are
5 awarded shall agree to comply with the following conditions
6 before receiving the award:

7 (1) Employ or have under contract persons qualified to
8 engage in the activity to be funded;

9 (2) Comply with applicable federal, state, and county
10 laws; and

11 (3) Comply with any other requirements prescribed by the
12 Economic Development Alliance of Hawaii, Inc., to
13 ensure adherence by the recipient of the award with
14 applicable federal, state, and county laws and with
15 the purposes of this section.

16 (1) Chapter 103D shall not apply to organizations or
17 agencies that apply for grants or contracts under this section;
18 provided that the Economic Development Alliance of Hawaii, Inc.,
19 shall be held accountable under a contract with the department
20 of business, economic development, and tourism for the use of
21 the funds.



1 (m) Any contracts awarded by the Economic Development
2 Alliance of Hawaii, Inc., shall be executed pursuant to a
3 process that encourages as much competition as practical to
4 execute their purposes.

5 (n) The fund shall be audited annually by an independent
6 auditor retained by the Economic Development Alliance of Hawaii,
7 Inc. The auditor's report of each annual audit shall be
8 submitted to the department of business, economic development,
9 and tourism not later than thirty days from the date the audit
10 report is received by the Economic Development Alliance of
11 Hawaii, Inc. In addition, the Economic Development Alliance of
12 Hawaii, Inc., shall retain for a period of three years, and
13 permit the department of accounting and general services, the
14 department of education, the department of business, economic
15 development, and tourism, state legislators, and the auditor, or
16 their duly authorized representatives, to inspect and have
17 access to, any documents, papers, books, records, and other
18 evidence that is pertinent to the fund.

19 (o) The fund shall not be placed in the state treasury,
20 and the State shall not administer the fund, nor shall the State



1 be liable for the operation or solvency of the fund, the
2 Economic Development Alliance of Hawaii, Inc., or Hawaii 3Ts.

3 (p) For every dollar granted to a recipient by the fund, a
4 minimum of fifty cents in value shall be from private, federal,
5 county, or community sources.

6 (q) For purposes of this section, "school technology
7 laboratory" means a multi-station computer laboratory that
8 offers students a variety of different types of hardware and
9 software applications.

10 (r) The Economic Development Alliance of Hawaii, Inc.,
11 shall submit an annual report for approval by the director of
12 business, economic development, and tourism on the progress of
13 the Hawaii 3Ts school technology laboratories fund by December 1
14 of each year. The director of business, economic development,
15 and tourism shall transmit the report along with comments from
16 the department of business, economic development, and tourism to
17 the legislature no later than twenty days prior to the convening
18 of each regular session."

19 SECTION 2. Section 36-27, Hawaii Revised Statutes, is
20 amended by amending subsection (a) to read as follows:



1 "(a) Except as provided in this section, and
2 notwithstanding any other law to the contrary, from time to
3 time, the director of finance, for the purpose of defraying the
4 prorated estimate of central service expenses of government in
5 relation to all special funds, except the:

- 6 (1) Special out-of-school time instructional program fund
7 under section 302A-1310;
- 8 (2) School cafeteria special funds of the department of
9 education;
- 10 (3) Special funds of the University of Hawaii;
- 11 (4) State educational facilities improvement special fund;
- 12 (5) Convention center enterprise special fund under
13 section 201B-8;
- 14 (6) Special funds established by section 206E-6;
- 15 (7) Aloha Tower fund created by section 206J-17;
- 16 (8) Funds of the employees' retirement system created by
17 section 88-109;
- 18 (9) Hawaii hurricane relief fund established under
19 chapter 431P;
- 20 (10) Hawaii health systems corporation special funds and
21 the subaccounts of its regional system boards;



- 1 (11) Tourism special fund established under section
2 201B-11;
- 3 (12) Universal service fund established under section
4 269-42;
- 5 (13) Emergency and budget reserve fund under section
6 328L-3;
- 7 (14) Public schools special fees and charges fund under
8 section 302A-1130;
- 9 (15) Sport fish special fund under section 187A-9.5;
- 10 [+](16)[+] Neurotrauma special fund under section 321H-4;
- 11 [+](17)[+] Glass advance disposal fee established by section
12 342G-82;
- 13 [+](18)[+] Center for nursing special fund under section
14 304A-2163;
- 15 [+](19)[+] Passenger facility charge special fund established
16 by section 261-5.5;
- 17 [+](20)[+] Solicitation of funds for charitable purposes
18 special fund established by section 467B-15;
- 19 [+](21)[+] Land conservation fund established by section
20 173A-5;



- 1 [+] (22) [+] Court interpreting services revolving fund under
- 2 section 607-1.5;
- 3 [+] (23) [+] Trauma system special fund under section 321-22.5;
- 4 [+] (24) [+] Hawaii cancer research special fund;
- 5 [+] (25) [+] Community health centers special fund;
- 6 [+] (26) [+] Emergency medical services special fund;
- 7 [+] (27) [+] Rental motor vehicle customer facility charge
- 8 special fund established under section 261-5.6;
- 9 [+] (28) [+] Shared services technology special fund under
- 10 section 27-43;
- 11 [+] (29) [+] Automated victim information and notification system
- 12 special fund established under section 353-136;
- 13 [+] (30) [+] Deposit beverage container deposit special fund
- 14 under section 342G-104;
- 15 [+] (31) [+] Hospital sustainability program special fund under
- 16 [+]section 346G-4[+];
- 17 [+] (32) [+] Nursing facility sustainability program special fund
- 18 under [+]section 346F-4[+];
- 19 [+] (33) [+] Hawaii 3R's school improvement fund under section
- 20 ~~[302A-1502.4,]~~ 302A-G;



1 [+] (34) [+] After-school plus program revolving fund under
2 section 302A-1149.5; and
3 [+] (35) [+] Civil monetary penalty special fund under section
4 321-30.2,
5 shall deduct five per cent of all receipts of all other special
6 funds, which deduction shall be transferred to the general fund
7 of the State and become general realizations of the State. All
8 officers of the State and other persons having power to allocate
9 or disburse any special funds shall cooperate with the director
10 in effecting these transfers. To determine the proper revenue
11 base upon which the central service assessment is to be
12 calculated, the director shall adopt rules pursuant to chapter
13 91 for the purpose of suspending or limiting the application of
14 the central service assessment of any fund. No later than
15 twenty days prior to the convening of each regular session of
16 the legislature, the director shall report all central service
17 assessments made during the preceding fiscal year."

18 SECTION 3. Section 302A-1504.5, Hawaii Revised Statutes,
19 is amended by amending subsection (a) to read as follows:

20 "(a) There is established within the state treasury a
21 special fund to be known as the school-level minor repairs and



1 maintenance special fund, into which shall be deposited all
2 moneys collected pursuant to section 235-102.5(b), and any other
3 moneys received by the department in the form of grants and
4 donations for school-level improvements and minor repairs and
5 maintenance. The special fund shall be administered by the
6 department and used to fund school-level minor repairs and
7 maintenance. The department shall transfer moneys collected
8 pursuant to section 235-102.5(b), and may transfer any other
9 moneys received in the form of grants and donations for school-
10 level improvements and minor repairs and maintenance to the
11 Hawaii 3R's school improvement fund established pursuant to
12 section [~~302A-1502.4.~~] 302A-G."

13 SECTION 4. Section 302A-1602, Hawaii Revised Statutes, is
14 amended by adding a new definition to be appropriately inserted
15 and to read as follows:

16 "Agency" means the school facility agency established
17 pursuant to section 302A-B.

18 SECTION 5. Section 302A-1608, Hawaii Revised Statutes, is
19 amended by amending subsection (a) to read as follows:

20 "(a) Each designated school impact district shall be a
21 separate benefit district. Fees collected within each school



1 impact district shall be deposited into the school facilities
2 special fund established pursuant to section 302A-F and spent
3 only within the same school impact district for the purposes
4 collected."

5 SECTION 6. Section 302A-1314, Hawaii Revised Statutes, is
6 repealed.

7 ~~["**§302A-1314** Hawaii 3Ts school technology laboratories~~
8 ~~fund.~~ (a) ~~There is established the Hawaii 3Ts school~~
9 ~~technology laboratories fund (hereinafter, "fund") as a separate~~
10 ~~fund of the Economic Development Alliance of Hawaii Inc., a~~
11 ~~Hawaii nonprofit organization. Moneys received from the state,~~
12 ~~county, or federal government, private contributions of cash or~~
13 ~~other property, and the income and capital gains earned by the~~
14 ~~fund shall constitute its assets.~~

15 ~~(b) The Economic Development Alliance of Hawaii Inc. shall~~
16 ~~expend moneys in the form of either grants to organizations or~~
17 ~~contracts with private vendors from the fund for the~~
18 ~~establishment and maintenance of technology laboratories in~~
19 ~~public schools in Hawaii. Such expenditures shall be in~~
20 ~~accordance with this section, and consistent with the criteria~~



1 ~~and recommendations of the Hawaii 3Ts school technology~~
2 ~~laboratories board.~~

3 ~~(c) The fund may receive contributions, grants,~~
4 ~~endowments, or gifts in cash or otherwise from all sources,~~
5 ~~including corporations or other businesses, foundations,~~
6 ~~government, individuals, and other interested parties. The~~
7 ~~legislature intends that the public and private sectors work~~
8 ~~together as partners in securing contributions for the fund, and~~
9 ~~that the Economic Development Alliance of Hawaii Inc., through~~
10 ~~its Hawaii 3Ts project, assist the public and private sectors in~~
11 ~~reviewing and investigating all potential funding sources. The~~
12 ~~State may appropriate moneys to the fund; provided that any~~
13 ~~appropriations made by the State are not intended to supplant~~
14 ~~the funding of any existing public school programs for the~~
15 ~~establishment and maintenance of school technology laboratories.~~

16 ~~(d) The Economic Development Alliance of Hawaii Inc. shall~~
17 ~~appoint the members of the Hawaii 3Ts school technology~~
18 ~~laboratories board, which shall be responsible for:~~

- 19 ~~(1) Soliciting and otherwise raising moneys for the fund;~~
20 ~~(2) Establishing criteria for proposals to be funded and~~
21 ~~the expenditure of funds;~~



1 ~~(3) Reviewing grant proposals utilizing criteria~~
2 ~~established by Hawaii 3Ts school technology~~
3 ~~laboratories board; and~~

4 ~~(4) Making recommendations for grants and other specific~~
5 ~~expenditures to the Economic Development Alliance of~~
6 ~~Hawaii Inc.~~

7 ~~Members of the advisory board shall be stakeholders in Hawaii's~~
8 ~~public education and workforce development entities, including~~
9 ~~students and parents, teachers and principals, business and~~
10 ~~community leaders, representatives from the county economic~~
11 ~~development boards, and representatives from the department of~~
12 ~~education, the department of business, economic development, and~~
13 ~~tourism, and the department of accounting and general services,~~
14 ~~who shall be represented on the advisory board.~~

15 ~~(e) In managing the moneys in the fund, the Economic~~
16 ~~Development Alliance of Hawaii Inc. shall exercise ordinary~~
17 ~~business care and prudence given the facts and circumstances~~
18 ~~prevailing at the time of action or decision. In doing so, the~~
19 ~~Economic Development Alliance of Hawaii Inc. shall consider its~~
20 ~~long term and short term needs in carrying out its purposes, its~~
21 ~~present and anticipated financial requirements, expected total~~



1 ~~return on its investments, price trends, and general economic~~
2 ~~conditions.~~

3 ~~(f) There may be an endowment component of the fund.~~

4 ~~(g) The use of any state moneys may be restricted by the~~
5 ~~legislation appropriating these moneys to the fund.~~

6 ~~(h) The Economic Development Alliance of Hawaii Inc. is~~
7 ~~authorized to expend the principal from the fund for the~~
8 ~~purposes of the fund.~~

9 ~~(i) Any organization submitting a proposal to the Economic~~
10 ~~Development Alliance of Hawaii Inc. for fund moneys shall meet~~
11 ~~all of the following standards at the time of applications:~~

12 ~~(1) Be a for profit organization duly registered under the~~
13 ~~laws of the State, or be a nonprofit organization~~
14 ~~determined by the Internal Revenue Service to be~~
15 ~~exempt from the federal income tax, or be an agency of~~
16 ~~the State or a county;~~

17 ~~(2) In the case of a nonprofit organization, have a~~
18 ~~governing board whose members have no material~~
19 ~~conflict of interest and serve without compensation;~~

20 ~~(3) In the case of an applicant that is not a state or~~
21 ~~county government agency, have bylaws or policies that~~



1 ~~describe the manner in which business is conducted and~~
2 ~~policies that relate to the management of potential~~
3 ~~conflict of interest situations;~~

4 ~~(4) Have experience with the project or in the program~~
5 ~~area for which the proposal is being made; and~~

6 ~~(5) Be licensed and accredited, as applicable, in~~
7 ~~accordance with the requirements of federal, state,~~
8 ~~and county governments.~~

9 ~~(j) All proposals approved by the Hawaii 3Ts school~~
10 ~~technology laboratories board and for which the Economic~~
11 ~~Development Alliance of Hawaii Inc. intends to provide fund~~
12 ~~moneys shall be approved by the director of business, economic~~
13 ~~development, and tourism for consistency in meeting the purposes~~
14 ~~of this section.~~

15 ~~(k) Organizations or agencies to which fund moneys are~~
16 ~~awarded shall agree to comply with the following conditions~~
17 ~~before receiving the award:~~

18 ~~(1) Employ or have under contract persons qualified to~~
19 ~~engage in the activity to be funded;~~

20 ~~(2) Comply with applicable federal, state, and county~~
21 ~~laws; and~~



1 ~~(3) Comply with any other requirements prescribed by the~~
2 ~~Economic Development Alliance of Hawaii Inc. to ensure~~
3 ~~adherence by the recipient of the award with~~
4 ~~applicable federal, state, and county laws and with~~
5 ~~the purposes of this section.~~

6 ~~(l) Chapter 103D shall not apply to organizations or~~
7 ~~agencies that apply for grants or contracts under this section,~~
8 ~~provided that the Economic Development Alliance of Hawaii Inc.~~
9 ~~shall be held accountable for the use of the funds under a~~
10 ~~contract with the department of business, economic development,~~
11 ~~and tourism.~~

12 ~~(m) Any contracts awarded by the Economic Development~~
13 ~~Alliance of Hawaii Inc. shall be made under as much competition~~
14 ~~as practical to execute its purposes.~~

15 ~~(n) The fund shall be audited annually by an independent~~
16 ~~auditor retained by the Economic Development Alliance of Hawaii~~
17 ~~Inc. The auditor's report of each annual audit shall be~~
18 ~~submitted to the department of business, economic development,~~
19 ~~and tourism not later than thirty days from the date the audit~~
20 ~~report is received by the Economic Development Alliance of~~
21 ~~Hawaii Inc. In addition, the Economic Development Alliance of~~



1 ~~Hawaii Inc. shall retain for a period of three years, and permit~~
2 ~~the department of accounting and general services, the~~
3 ~~department of education, the department of business, economic~~
4 ~~development, and tourism, state legislators, and the auditor, or~~
5 ~~their duly authorized representatives, to inspect and have~~
6 ~~access to, any documents, papers, books, records, and other~~
7 ~~evidence that is pertinent to the fund.~~

8 ~~(o) The fund shall not be placed in the state treasury,~~
9 ~~and the State shall not administer the fund, nor shall the State~~
10 ~~be liable for the operation or solvency of the fund, the~~
11 ~~Economic Development Alliance of Hawaii Inc., or Hawaii 3Ts.~~

12 ~~(p) For every dollar granted to a recipient by the fund, a~~
13 ~~minimum of 50 cents in value shall be from private, federal,~~
14 ~~county, or community sources.~~

15 ~~(q) For purposes of this section, "school technology~~
16 ~~laboratory" means a multi-station computer laboratory that~~
17 ~~offers students a variety of different types of hardware and~~
18 ~~software applications.~~

19 ~~{(r)} The Economic Development Alliance of Hawaii Inc.~~
20 ~~shall submit an annual report for approval by the director of~~
21 ~~business, economic development, and tourism on the progress of~~



1 ~~the Hawaii 3Ts school technology laboratories fund by December 1~~
2 ~~of each year. The director of business, economic development,~~
3 ~~and tourism shall transmit the report along with comments from~~
4 ~~the department of business, economic development, and tourism to~~
5 ~~the legislature no later than twenty days prior to the convening~~
6 ~~of each regular session."]~~

7 SECTION 7. Section 302A-1502.4, Hawaii Revised Statutes,
8 is repealed.

9 ["~~§302A-1502.4 Hawaii 3R's school improvement fund.~~ (a)
10 ~~There is established the Hawaii 3R's school improvement fund~~
11 ~~(hereinafter, "fund") as a separate restricted fund of Hawaii~~
12 ~~3R's, a Hawaii nonprofit organization. Moneys received from the~~
13 ~~State, county, or federal government, private contributions of~~
14 ~~cash or other property, and the income and capital gains earned~~
15 ~~by the fund shall constitute its assets.~~

16 ~~(b) Hawaii 3R's shall expend moneys from the fund in the~~
17 ~~form of either grants to organizations or contracts with private~~
18 ~~vendors for the improvement of public schools and benefit of~~
19 ~~students in Hawaii in accordance with this section.~~

20 ~~(c) The fund may receive contributions, grants,~~
21 ~~endowments, or gifts in cash or otherwise from all sources,~~



1 ~~including corporations or other businesses, foundations,~~
2 ~~government, individuals, and other interested parties. The fund~~
3 ~~shall also receive moneys transferred to it from the school-~~
4 ~~level minor repairs and maintenance special fund established~~
5 ~~under section 302A-1504.5. The legislature intends that public~~
6 ~~and private sectors review and investigate all potential funding~~
7 ~~sources. The State may appropriate moneys to the fund; provided~~
8 ~~that any appropriations made by the State are not intended to~~
9 ~~supplant the funding of any existing programs.~~

10 ~~(d) Chapter 103D shall not apply to organizations or~~
11 ~~agencies that apply for grants or contracts under this section;~~
12 ~~provided that Hawaii 3R's shall be held accountable for the use~~
13 ~~of the funds under a contract with the department.~~

14 ~~(e) The fund shall not be placed in the state treasury,~~
15 ~~and the State shall not be liable for the operation or solvency~~
16 ~~of the fund or Hawaii 3R's."]~~

17 SECTION 8. Sections 302A-1602, 302A-1603, 302A-1604,
18 302A-1605, 302A-1606, 30A-1607, 302A-1609, 302A-1610, 302A-1611,
19 and 302A-1612, Hawaii Revised Statutes, are amended by
20 substituting the word "agency", or similar term, wherever the



1 word "department", "department of education", or similar term,
2 appears, as the context requires.

3 SECTION 9. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$1,500,000 or so much
5 thereof as may be necessary for fiscal year 2020-2021 for the
6 establishment of the school facilities agency.

7 The sum appropriated shall be expended by the school
8 facilities agency for the purposes of this Act.

9 SECTION 10. This Act shall not be construed to transfer
10 the department of education office of facilities and operation,
11 including the facilities maintenance branch and auxiliary
12 services branch and any general fund and position
13 appropriations, to the school facilities agency.

14 SECTION 11. The balances and obligations of the Hawaii 3Ts
15 school technology laboratories fund and the Hawaii 3R's school
16 improvement fund shall not be affected by the repeal of those
17 funds in sections 6 and 7 of this Act and reenactment of those
18 funds by the provisions of section 1 of this Act.

19 SECTION 12. The development, planning, oversight,
20 management, and responsibility of the capital improvement
21 projects authorized by Act 155, Session Laws of Hawaii 2013; Act



1 115, Session Laws of Hawaii 2015; Act 206, Session Laws of
2 Hawaii 2017; Act 210, Session Laws of Hawaii 2018; and Act 272,
3 Session Laws of Hawaii 2019, are hereby transferred to the
4 school facilities agency.

5 SECTION 13. The school facilities agency shall collaborate
6 with the department of education and submit a report to the
7 legislature, no later than twenty days prior to the convening of
8 the regular session of 2021, identifying positions of the
9 department of education that should be transferred to the school
10 facilities agency established by section 1 of this Act,
11 including positions responsible for public school development,
12 planning, and construction related to capital improvement
13 projects along with proposed legislation to further implement
14 the transfer of positions and related records and equipment to
15 effectuate the purpose of this Act.

16 SECTION 14. In codifying the new sections added by section
17 1 of this Act, the revisor of statutes shall substitute
18 appropriate section numbers for the letters used in designating
19 the new sections in this Act.

20 SECTION 15. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



1 SECTION 16. This Act shall take effect on July 1, 2020.

2

INTRODUCED BY:

4. Kalani Eglish

Anna Mercedes Kim

[Signature]

[Signature]

[Signature]

Clarence K. Nishikawa

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Michelle D. Sudani

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Kurt Ferrell

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S.B. NO. 3103

Report Title:

School Facilities Agency; BOE; DOE; Facility; Maintenance; Construction; Repair; Appropriation

Description:

Establishes the School Facilities Agency to be responsible for all public school development, planning, and construction, related to capital improvement projects assigned by the Legislature, Governor, or Board of Education. Transfers statutes pertaining to the Hawaii 3R's and 3T's programs to a new School Facilities Agency statutory subpart. Places management of school impact fees with the agency. Appropriates funds.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

