



STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

OFFICE OF THE SUPERINTENDENT

November 14, 2018

The Honorable Ronald D. Kouchi, President
and Members of the Senate
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki, Speaker
and Members of the House of Representatives
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the School Impact Fee Report, pursuant to Section 302A-1601 through 302A-1612, Hawaii Revised Statutes (HRS). In accordance with Section 93-16, HRS, I am also informing you that the report may be viewed electronically at: <http://bit.ly/DOELegReports>.

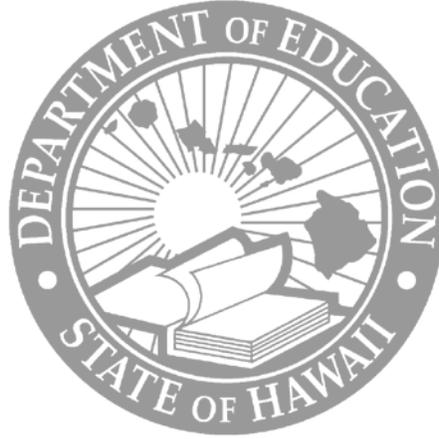
Sincerely,

A handwritten signature in blue ink, appearing to read "Christina M. Kishimoto".

Dr. Christina M. Kishimoto
Superintendent

CMK:hm
Enclosures

c: Legislative Reference Bureau
Office of School Facilities and Support Services



State of Hawaii
Department of Education

Annual Report on the Implementation of School Impact Fee Act

November 2018

Chapter 302A, Sections 302A-1601 to 302A-1612, Hawaii Revised Statutes, requires the Department of Education to annually report on the school impact fees. Refer to entitled “Department of Education School Impact Fees.”

Department of Education School Impact Fees

The school impact fee statute is Chapter 302A, Sections 302A-1601 to 302A-1612, Hawaii Revised Statutes. Builders of individual homes or large residential projects in areas of high growth and insufficient school classroom capacity to accommodate student enrollment growth must pay school impact fees. The law includes specific formulas to calculate fee amounts.

Large residential projects within Board of Education designated school impact districts are required to provide land for school facilities depending on the numbers of students expected in their projects and the amount of available classroom space in existing area schools. Projects of 50 or more units need an agreement with the Department of Education (DOE) on the amount of land and or fees to be paid, prior to county approval to subdivide, rezone, or any other approval. Smaller developers and individual home owner-builders are required to pay a fee-in-lieu of land. All home builders or buyers must also pay a construction cost fee.

The DOE has established two school impact districts on Maui and two districts on Oahu. Fees collected are deposited into trust accounts for each of the districts. Funds must be spent for land and facilities within the district that they are collected

The balance in the Leeward Oahu District trust account at the end of fiscal year (FY) 2018 was \$1.16 million. The Kalihi to Ala Moana District came into effect on October 1, 2018, after the close of FY2018, so the trust account balance at the end of FY 2018 was zero.

For the island of Maui, there are two separate districts: Central Maui and West Maui. The end of FY 2018 balance for the Central Maui trust account was \$2.47 million. The end of FY 2018 balance for the West Maui trust account was \$1.09 million.