LEGISLATIVE REPORT

SUBJECT: Department of Education – School Impact Fees

REFERENCE: Act 245, Section 6, SLH 2007 (H.B.19 H.D.2, S.D.2, C.D.1)

ACTION REQUESTED: Annual report to the Legislature

DOE REPORT:
Introduction: Act 245, Section 6, SLH 2007, requires the DOE to annually report on the school impact fees. Refer to the attachment entitled "Department of Education School Impact Fees".

Findings: See attached

RECOMMENDATIONS: None

Kathryn S. Matayoshi
Superintendent
Department of Education

DEC - 4 2013

Date
Department of Education
School Impact Fees

The School Impact Fee Law allows the Department of Education (DOE) to collect impact fees in school impact fee districts. The Board of Education has approved four districts: West Hawaii, Central Maui, West Maui, and Leeward Oahu.

Impact fees have been collected on Maui since January 2011. Total collections from 2011 to September 30, 2013 for the Central Maui District are $565,211 and for the West Maui District is $206,994.

Implementation of collections from the Leeward Oahu District began September 1, 2013. In the first two months, all residential building permit applications have come from projects where we have a preexisting agreement for payments, or they are units that are replacing older demolished units, so no fees have been collected yet.

The DOE has been stalled on the implementation of the West Hawaii District fee collection process by a lack of cooperation from Hawaii County. Variables in the impact fee formula will now have to be updated before DOE can pursue new negotiations with Hawaii County.

The impact fee statute is Chapter 302A, Section 1601 to 1612, HRS. The law includes a specific formula to calculate fee amounts. Developers of large residential projects can be 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 area schools.