LEGISLATIVE REPORT

SUBJECT: Relating to Education – School Impact Fees

REFERENCE: Act 245, SLH 2007 (HB19, HD2, SD2, CD1)
As amended by: Act 188, SLH 2010 (SB2828, SD1, HD3, CD1)

ACTION REQUESTED: Annual report on the implementation of the school impact fee act.

DOE REPORT: 
Introduction: The Department of Education (DOE) has successfully completed one year of administering a school impact fee collection system. Fees have been collected from two districts in Maui; the Central Maui District and the West Maui District. The DOE is waiting for cooperation from Hawaii County to implement a West Hawaii District which was established by the Board of Education (BOE) in 2010. A Leeward Oahu District has been proposed and will go before the BOE for approval in early 2012.

The impact fee statute is Chapter 302A, Section 1601 to 1612, Hawaii Revised Statutes. The law requires the DOE to analyze the need for new schools or expanded schools across the state and establish impact districts in areas where student enrollment growth is expected and where existing schools lack the classroom capacity to accommodate that growth.

The impact fee law includes the specific formula to be used to calculate fee amounts. Fees are based on the amount of additional school land and construction required to accommodate the number of new students residing in each new residential unit within the district. 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. Smaller developers and individual home owner-builders are required to pay a fee-in-lieu of land, when their project is too small to entertain a school site. All home builders or buyers also pay a construction cost fee. The amount of land needed for each new student and the amount of school construction needed to house each new student are based on actual school
acres per student and construction costs per student for DOE schools build in the past 10 years.

Collections from the Central Maui and West Maui districts in the first three quarters of the year total $103,000. The Maui collection system was devised in collaboration with the County of Maui Department of Public Works. The DOE is able to collect impact fees directly from homebuilders in the two districts prior to the County's issuance of a building permit. The developers of larger residential projects of 50 or more units need have an agreement with the DOE on the amount of land and or fees to be paid, prior to County approval to subdivide, rezone, or any other approval.