
A BILL FOR AN ACT

RELATING TO PUBLIC CHARTER SCHOOLS.

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

1 SECTION 1. The legislature finds that facilities funding
2 has been a long-standing issue for charter schools nationally
3 and locally. Act 159, Session Laws of Hawaii 2013, authorized
4 the state public charter school commission to request facilities
5 funding as part of its annual budget request. Until then,
6 Hawaii start-up charter schools paid the costs of their
7 facilities from operational funds, which made it difficult for
8 schools to maintain strong financial footing.

9 The legislature further finds that during the 2014 regular
10 session, several measures to provide facilities funding reached
11 conference, a recognition of the need to support charter schools
12 facilities to ensure the financial, academic, and organizational
13 well-being of public charter schools. These measures did not
14 make the final decking deadline, however, and, according to a
15 recent board of education report, the long term financial
16 sustainability of charter schools continues to be a concern.



1 The purpose of this Act is to provide a framework for
2 funding and support of public charter schools facilities through
3 adequate prioritization, oversight, and accountability.

4 SECTION 2. Chapter 302D, Hawaii Revised Statutes, is
5 amended by adding a new section to be appropriately designated
6 and to read as follows:

7 "§302D- Use of vacant department facilities. (a) When
8 any department considers whether to close any particular
9 facility, it shall give reasonable consideration to making all
10 or portions of the facility available to charter schools and
11 pre-plus programs; provided that the facilities may be used for
12 any other purpose the department of education deems appropriate.

13 (b) Each department shall identify suitable unused
14 facilities that may be appropriate for:

- 15 (1) Public charter schools;
16 (2) Early learning programs, including but not limited to
17 the pre-plus program; and
18 (3) Any other purpose the department of education deems
19 appropriate.



1 Each department shall inventory such suitable facilities,
2 and priority shall be given to facilities on sites with
3 sufficient space for three or more classrooms.

4 (c) Each department shall adopt rules pursuant to chapter
5 91 necessary to carry out the purposes of this section.

6 (d) For purposes of this section, "department" means all
7 of the departments listed in section 26-4, as may be amended
8 from time to time, except the department of education.

9 (e) Upon receipt of a notice pursuant to subsection (b),
10 the executive office on early learning shall solicit
11 applications from pre-plus programs interested in using and
12 occupying all or portions of the facilities and submit a
13 prioritized list of pre-plus programs to the department of
14 education for final determination of which pre-plus program, if
15 any shall be authorized to use and occupy the facilities."

16 SECTION 3. Section 302D-21, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "**§302D-21 Annual board report.** No later than twenty days
19 prior to the convening of each regular session of the
20 legislature, the board shall issue to the governor, the
21 legislature, and the public, an annual report on the State's



1 public charter schools, drawing from the annual reports
2 submitted by every authorizer, as well as any additional
3 relevant data compiled by the board, for the school year ending
4 in the preceding calendar year. The annual report shall
5 include:

- 6 (1) The board's assessment of the successes, challenges,
7 and areas for improvement in meeting the purposes of
8 this chapter, including the board's assessment of the
9 sufficiency of funding for public charter schools, and
10 any suggested changes in state law or policy necessary
11 to strengthen the State's public charter schools;
- 12 (2) A line-item breakdown of all federal funds received by
13 the department and distributed to authorizers;
- 14 (3) Any concerns regarding equity and recommendations to
15 improve access to and distribution of federal funds to
16 public charter schools; ~~and~~
- 17 (4) A summary of the criteria used by the charter school
18 facilities funding working group in allocating
19 facility funding;
- 20 (5) A detailed breakdown of the allocation of funding
21 through general funds and bond funds;



1 (6) A detailed list of the projects funded by general
2 funds and bond funds;

3 (7) The status of funding for projects previously awarded;
4 and

5 ~~[(4)]~~ (8) A discussion of all board policies adopted in the
6 previous year, including a detailed explanation as to
7 whether each policy is or is not applicable to charter
8 schools."

9 SECTION 4. Section 302D-29.5, Hawaii Revised Statutes, is
10 amended to read as follows:

11 **"§302D-29.5 Facilities funding.** ~~[(a) Beginning with~~
12 ~~fiscal year 2014 2015 and each fiscal year thereafter, the~~
13 ~~commission may request facilities funding for charter schools as~~
14 ~~part of its annual budget request to the director of finance and~~
15 ~~may receive, expend, or allocate any funds provided by the~~
16 ~~facilities funding request.~~

17 ~~(b) The legislature may make an appropriation based upon~~
18 ~~the facilities funding request pursuant to subsection (a).]~~

19 (a) Beginning with the 2016-2017 fiscal year, and each
20 fiscal year thereafter, the legislature shall consider to make
21 an appropriation and bond authorization to the commission for



1 facilities funding for charter schools separate from, and in
2 addition to, any appropriation made to charter schools pursuant
3 to sections 302D-28 and 302D-29.5. These amounts shall be
4 prioritized for allocation by the charter school facilities
5 working group.

6 [~~(e)~~] (b) The governor, pursuant to chapter 37, may impose
7 restrictions or reductions on appropriations for charter schools
8 similar to those imposed on department schools.

9 [~~(d)~~] (c) This section shall not limit the ability of the
10 director of finance to modify or amend any allotment pursuant to
11 chapter 37.

12 (d) There is established a charter school facilities
13 funding working group within the commission, which shall consist
14 of the following members, or their designees:

15 (1) The chairperson of the commission;

16 (2) The executive director of the commission;

17 (3) The director of finance;

18 (4) The chair of the senate committee on ways and means;

19 and

20 (5) The chair of the house committee on finance.



1 [~~e~~] The commission shall develop criteria to determine
2 the distribution of funds appropriated pursuant to subsection
3 (b) to the charter schools. The criteria shall include but not
4 be limited to factors such as distribution based on the need and
5 performance of the charter schools~~[-]~~, overall benefit to the
6 surrounding community, amount of risk and availability of
7 recourse to the State, and whether a particular charter school
8 received facility funding through other state funding, such as
9 grants-in-aid or a separate appropriation. The charter school
10 facilities funding working group shall prioritize the allocation
11 of general fund appropriations and bond proceeds for public
12 charter schools to expend based on the criteria established by
13 the commission.

14 [~~f~~] (e) Nothing in this section shall be construed as
15 restricting the authority of the commission to support the
16 facilities needs of the charter schools through other means."

17 SECTION 5. There is appropriated out of the general
18 revenues of the State of Hawaii the sum of \$ or so
19 much thereof as may be necessary for fiscal year 2015-2016 and
20 the same sum or so much thereof as may be necessary for fiscal
21 year 2016-2017 for the charter schools facilities funding



1 working group to allocate to charter schools for facilities
2 based on criteria developed by the state public charter school
3 commission.

4 The sums appropriated shall be expended by the state public
5 charter school commission for the purposes of this Act.

6 SECTION 6. The director of finance is authorized to issue
7 general obligation bonds in the sum of \$ or so much
8 thereof as may be necessary and the same sum or so much thereof
9 as may be necessary is appropriated for fiscal year 2015-2016
10 for the purpose of designing, planning, constructing, repairing,
11 and maintaining public charter school facilities.

12 The sums appropriated shall be expended by the state public
13 charter school commission for the purposes of this Act.

14 SECTION 7. The appropriation made for the capital
15 improvement project authorized by this Act shall not lapse at
16 the end of the fiscal biennium for which the appropriation is
17 made; provided that all moneys from the appropriation
18 unencumbered as of June 30, 2018, shall lapse as of that date.

19 SECTION 8. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.



1 SECTION 9. This Act shall take effect upon its approval;
2 provided that sections 5 and 6 shall take effect on July 1,
3 2015.

4

INTRODUCED BY:

Michelle Kedani
SC. Rep. [Signature]



Report Title:

State Public Charter Schools Commission; Facilities Funding; Appropriation; General Obligation Bonds

Description:

Requires state departments, upon the closure of facilities, to consider the facility's suitability for use by public charter schools or early learning pre-plus programs, and to notify the state public charter schools commission or executive office on early learning of the availability and suitability of the facility. Requires more detailed annual reporting by the state public charter school commission. Establishes a charter school facilities funding working group. Appropriates funds for public charter schools. Authorizes the issuance of general obligation bonds and appropriates funds for public charter school facilities design, planning, construction, repair and maintenance.

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