



GOV. MSG. NO. 1343

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

July 13, 2015

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Twenty-Eighth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Joseph M. Souki,
Speaker and Members of the
House of Representatives
Twenty-Eighth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

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

This is to inform you that on July 13, 2015, the following bill was signed into law:

HB1251 HD1 SD2 CD1

RELATING TO PUBLIC CHARTER SCHOOLS
ACT 234 (15)

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

Approved by the Governor

ORIGINAL

on JUL 13 2015
HOUSE OF REPRESENTATIVES
TWENTY-EIGHTH LEGISLATURE, 2015
STATE OF HAWAII

ACT 234
H.B. NO.

1251
H.D. 1
S.D. 2
C.D. 1

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. In Hawaii, start-up charter schools have paid the
4 costs of their facilities from operational funds. However, Act
5 159, Session Laws of Hawaii 2013, authorized the state public
6 charter school commission to request facilities funding as part
7 of its annual budget request to the director of finance
8 beginning with the 2014-2015 fiscal year.

9 During the regular session of 2014, several bills providing
10 some type of facilities funding reached the committee on
11 conference, indicating recognition of the need to support
12 charter schools facilities to help ensure the financial,
13 academic, and organizational health of public charter schools.
14 However, the bills failed to pass the legislature. A recent
15 board of education report on charter schools also recognized
16 that the long-term financial sustainability of charter schools
17 remains a concern.



1 The purpose of this Act is to provide:

2 (1) A framework for providing facilities funding and
3 support for public charter school facilities with
4 adequate prioritization, oversight, and
5 accountability; and

6 (2) Public charter schools and early learning programs
7 that are affiliated with a public charter school with
8 the opportunity to secure the use of additional state
9 facilities deemed vacant and appropriate for use.

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

13 "§302D- Use of vacant department facilities. (a) When
14 any department considers whether to close any particular
15 facility, it shall give reasonable consideration to making all
16 or portions of the facility available to public charter schools
17 and early learning programs that are affiliated with a public
18 charter school.

19 (b) Each department shall provide notice to the
20 superintendent and state public charter school commission



1 identifying suitable unused facilities that may be appropriate
2 for:

- 3 (1) Public charter schools; and
- 4 (2) Early learning programs, including the pre-plus
5 program, that are affiliated with a public charter
6 school.

7 The department of accounting and general services shall
8 inventory the suitable facilities, and, in determining
9 suitability for educational re-use, priority shall be given to
10 facilities on sites with sufficient space for three or more
11 classrooms.

12 (c) The department of accounting and general services
13 shall adopt rules pursuant to chapter 91 necessary to carry out
14 the purposes of this section.

15 (d) For purposes of this section, "department" means all
16 of the departments listed in section 26-4.

17 (e) Upon receipt of a notice pursuant to subsection (b),
18 the state public charter school commission shall:

- 19 (1) Solicit applications from public charter schools or
20 early learning programs that are affiliated with a
21 public charter school, respectively, that are

1 interested in using and occupying all or portions of
2 the facilities; and
3 (2) Submit a prioritized list of public charter schools or
4 early learning programs that are affiliated with a
5 public charter school, respectively, to the department
6 of accounting and general services for final
7 determination of which public charter schools or early
8 learning programs that are affiliated with a public
9 charter school, if any, shall be authorized to use and
10 occupy the facilities."

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

13 "§302D-21 Annual board report. No later than twenty days
14 prior to the convening of each regular session of the
15 legislature, the board shall issue to the governor, the
16 legislature, and the public, an annual report on the State's
17 public charter schools, drawing from the annual reports
18 submitted by every authorizer, as well as any additional
19 relevant data compiled by the board, for the school year ending
20 in the preceding calendar year. The annual report shall
21 include:



- 1 (1) The board's assessment of the successes, challenges,
2 and areas for improvement in meeting the purposes of
3 this chapter, including the board's assessment of the
4 sufficiency of funding for public charter schools, and
5 any suggested changes in state law or policy necessary
6 to strengthen the State's public charter schools;
- 7 (2) A line-item breakdown of all federal funds received by
8 the department and distributed to authorizers;
- 9 (3) Any concerns regarding equity and recommendations to
10 improve access to and distribution of federal funds to
11 public charter schools; [~~and~~]
- 12 (4) A summary of the criteria used by the charter school
13 facilities funding working group, established pursuant
14 to section 302D-29.5, in allocating facilities
15 funding;
- 16 (5) A detailed breakdown of the allocation of funding
17 through general funds and bond funds;
- 18 (6) A detailed list of the projects funded by general
19 funds and bond funds;
- 20 (7) The status of funding for projects previously awarded;
21 and



1 ~~[(4)]~~ (8) A discussion of all board policies adopted in the
2 previous year, including a detailed explanation as to
3 whether each policy is or is not applicable to charter
4 schools."

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

7 "§302D-29.5 Facilities funding. ~~[(a) Beginning with~~
8 ~~fiscal year 2014 2015 and each fiscal year thereafter, the~~
9 ~~commission may request facilities funding for charter schools as~~
10 ~~part of its annual budget request to the director of finance and~~
11 ~~may receive, expend, or allocate any funds provided by the~~
12 ~~facilities funding request.~~

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

15 (a) Beginning with the 2016-2017 fiscal year, and each
16 fiscal year thereafter, the legislature shall consider making an
17 appropriation and bond authorization to the commission for the
18 design, planning, construction, repair, and maintenance of
19 public charter school improvements to address issues of health,
20 safety, and legal compliance; expand or improve instructional
21 space; provide for food services; or provide restroom



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

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

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

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

- 16 (1) The chairperson of the commission;
17 (2) The executive director of the commission;
18 (3) The director of finance;
19 (4) The comptroller;
20 (5) The superintendent of education;



1 SECTION 5. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.
3 SECTION 6. This Act shall take effect upon its approval.

APPROVED this 13 day of JUL , 2015



GOVERNOR OF THE STATE OF HAWAII

