
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.

18 The purpose of this Act is to provide:



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

5 (2) Charter schools and early learning programs with the
6 opportunity to secure the use of additional state
7 facilities deemed vacant and appropriate for use.

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

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

18 (b) Each department shall provide notice to the
19 superintendent, state public charter school commission, and
20 executive office on early learning, identifying suitable unused
21 facilities that may be appropriate for:



- 1 (1) Public charter schools;
- 2 (2) Early learning programs, including the pre-plus
- 3 program; and
- 4 (3) Any other purpose the department of education deems
- 5 appropriate.

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

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

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

16 (e) Upon receipt of a notice pursuant to subsection (b),
17 the state public charter school commission or executive office
18 on early learning shall:

- 19 (1) Solicit applications from public charter schools or
- 20 early learning programs, 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, respectively, to the
5 department of accounting and general services for
6 final determination of which public charter schools or
7 early learning programs, if any, shall be authorized
8 to use and occupy the facilities."

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

11 "**§302D-21 Annual board report.** No later than twenty days
12 prior to the convening of each regular session of the
13 legislature, the board shall issue to the governor, the
14 legislature, and the public, an annual report on the State's
15 public charter schools, drawing from the annual reports
16 submitted by every authorizer, as well as any additional
17 relevant data compiled by the board, for the school year ending
18 in the preceding calendar year. The annual report shall
19 include:

20 (1) The board's assessment of the successes, challenges,
21 and areas for improvement in meeting the purposes of



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



1 whether each policy is or is not applicable to charter
2 schools."

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

5 "**§302D-29.5 Facilities funding.** [~~(a) Beginning with~~
6 ~~fiscal year 2014-2015 and each fiscal year thereafter, the~~
7 ~~commission may request facilities funding for charter schools as~~
8 ~~part of its annual budget request to the director of finance and~~
9 ~~may receive, expend, or allocate any funds provided by the~~
10 ~~facilities funding request.~~

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

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



1 appropriation made to charter schools pursuant to this section
2 and section 302D-28. These amounts shall be prioritized for
3 allocation by the charter school facilities working group.

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

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

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

- 13 (1) The chairperson of the commission;
- 14 (2) The executive director of the commission;
- 15 (3) The director of finance;
- 16 (4) The comptroller;
- 17 (5) The superintendent of education;
- 18 (6) An individual with expertise in real estate, to be
19 appointed by the chairperson of the commission; and
- 20 (7) An individual with expertise in finance, to be
21 appointed by the chairperson of the commission.



1 [~~(e)~~] The commission shall develop criteria to determine
2 the distribution of funds appropriated pursuant to subsection
3 [~~(b)~~] (a) to the charter schools. The criteria shall include
4 [~~but not be limited to~~] 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 facilities funding through other state funding,
9 including grants-in-aid or a separate appropriation. The
10 charter school facilities funding working group shall act in an
11 advisory capacity to prioritize the allocation of general fund
12 appropriations and bond proceeds for public charter schools to
13 expend based on the criteria established by 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 much
19 thereof as may be necessary for fiscal year 2015-2016 and the
20 same sum or so much thereof as may be necessary for fiscal year
21 2016-2017 for charter school facilities.



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

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

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

11 SECTION 7. The appropriation made for the capital
12 improvement project authorized by section 6 of this Act shall
13 not lapse at the end of the fiscal biennium for which the
14 appropriation is made; provided that all moneys from the
15 appropriation unencumbered as of June 30, 2018, shall lapse as
16 of that date.

17 SECTION 8. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 9. This Act shall take effect on July 1, 2050;
20 provided that sections 5 and 6 shall take effect on July 1,
21 2050.



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 programs, and to notify the state public charter school commission or executive office on early learning of the availability and suitability of the facility. Requires more detailed annual reporting by the BOE on public charter school funding. Establishes a charter school facilities funding working group within the department of education to operate in an advisory capacity on issues regarding charter school facilities funding. Appropriates funds for public charter schools. Authorizes the issuance of general obligation bonds. Effective 7/1/2050. (SD2)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

