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# 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 identify to the state public  
19 charter school commission and executive office on early learning  
20 suitable unused facilities that may be appropriate for:

21 (1) Public charter schools;



1        (2) Early learning programs, including but not limited to  
2        the pre-plus program; and

3        (3) Any other purpose the department of education deems  
4        appropriate.

5        The department of accounting and general services shall  
6        inventory such suitable facilities, and priority shall be given  
7        to facilities on sites with sufficient space for three or more  
8        classrooms.

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

12       (d) For purposes of this section, "department" means all  
13       of the departments listed in section 26-4, as may be amended  
14       from time to time.

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

18       (1) Solicit applications from public charter schools and  
19       early learning programs, respectively, that are  
20       interested in using and occupying all or portions of  
21       the facilities; and



1       (2) Submit a prioritized list of public charter schools  
2       and early learning programs, respectively, to the  
3       department of accounting and general services for  
4       final determination of which public charter schools  
5       and early learning programs, if any, shall be  
6       authorized to use and occupy the facilities."

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

9       "**§302D-21 Annual board report.** No later than twenty days  
10 prior to the convening of each regular session of the  
11 legislature, the board shall issue to the governor, the  
12 legislature, and the public, an annual report on the State's  
13 public charter schools, drawing from the annual reports  
14 submitted by every authorizer, as well as any additional  
15 relevant data compiled by the board, for the school year ending  
16 in the preceding calendar year. The annual report shall  
17 include:

18       (1) The board's assessment of the successes, challenges,  
19       and areas for improvement in meeting the purposes of  
20       this chapter, including the board's assessment of the  
21       sufficiency of funding for public charter schools, and



- 1 any suggested changes in state law or policy necessary  
2 to strengthen the State's public charter schools;
- 3 (2) A line-item breakdown of all federal funds received by  
4 the department and distributed to authorizers;
- 5 (3) Any concerns regarding equity and recommendations to  
6 improve access to and distribution of federal funds to  
7 public charter schools; ~~and~~
- 8 (4) A summary of the criteria used by the charter school  
9 facilities funding working group, established pursuant  
10 to section 302D-29.5, in allocating facilities  
11 funding;
- 12 (5) A detailed breakdown of the allocation of funding  
13 through general funds and bond funds;
- 14 (6) A detailed list of the projects funded by general  
15 funds and bond funds;
- 16 (7) The status of funding for projects previously awarded;  
17 and
- 18 ~~[(4)]~~ (8) A discussion of all board policies adopted in the  
19 previous year, including a detailed explanation as to  
20 whether each policy is or is not applicable to charter  
21 schools."



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

3 **"§302D-29.5 Facilities funding.** [~~(a) Beginning with~~  
4 ~~fiscal year 2014-2015 and each fiscal year thereafter, the~~  
5 ~~commission may request facilities funding for charter schools as~~  
6 ~~part of its annual budget request to the director of finance and~~  
7 ~~may receive, expend, or allocate any funds provided by the~~  
8 ~~facilities funding request.~~

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

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



1 and section 302D-28. These amounts shall be prioritized for  
2 allocation by the charter school facilities working group.

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

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

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

- 12 (1) The chairperson of the commission;  
13 (2) The executive director of the commission;  
14 (3) The director of finance;  
15 (4) The comptroller;  
16 (5) The superintendent of education;  
17 (6) An individual with expertise in real estate, to be  
18 appointed by the chairperson of the commission; and  
19 (7) An individual with expertise in finance, to be  
20 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 factors such as distribution based on the  
5 need and performance of the charter schools~~[-]~~, overall benefit  
6 to the 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, such as  
9 grants-in-aid or a separate appropriation. The charter school  
10 facilities funding working group shall act in an advisory  
11 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 this Act shall not lapse at  
13 the end of the fiscal biennium for which the appropriation is  
14 made; provided that all moneys from the appropriation  
15 unencumbered as of June 30, 2018, shall lapse as of that date.

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

18           SECTION 9. This Act shall take effect upon its approval;  
19 provided that sections 5 and 6 shall take effect on July 1,  
20 2015.



**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 state public charter school commission. 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. (SD1)

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

