
A BILL FOR AN ACT

RELATING TO PUBLIC CHARTER SCHOOLS.

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

1 PART I

2 SECTION 1. Chapter 302D, Hawaii Revised Statutes, is
3 amended by adding two new sections to be appropriately
4 designated and to read as follows:

5 "§302D- Federal investigations; charges; public funds.

6 (a) Upon the filing of federal criminal charges against any
7 employee of a charter school for actions taken in the course of
8 employment at the charter school, control of any public funds
9 that have been disbursed to the charter school shall transfer to
10 the commission.

11 (b) The commission shall establish a procedural reporting
12 framework for all funds transferred to the commission pursuant
13 to this section.

14 §302D- Legislative appropriations; state treasury. All
15 funds appropriated to charter schools by the legislature shall
16 remain in the state treasury until requested for disbursement
17 pursuant to section 302D-28(f) or, if a charter school closes,



1 shall be expended after approval of the authorizer or order of
2 the court."

3 SECTION 2. Section 302D-17, Hawaii Revised Statutes, is
4 amended by amending subsection (a) to read as follows:

5 "(a) An authorizer shall continually monitor the
6 performance and legal compliance of the public charter schools
7 it oversees, including collecting and analyzing data to support
8 ongoing evaluation according to the charter contract. Every
9 authorizer shall have the authority to conduct or require
10 oversight activities that enable the authorizer to fulfill its
11 responsibilities under this chapter, including conducting
12 appropriate inquiries, audits, and investigations, so long as
13 those activities are consistent with the intent of this chapter
14 and adhere to the terms of the charter contract."

15 SECTION 3. Section 302D-28, Hawaii Revised Statutes, is
16 amended by amending subsection (f) to read as follows:

17 "(f) Each authorizer shall develop and maintain a system
18 of banking accounts that charter schools shall exclusively use
19 to receive and expend state and federal funds; provided that the
20 commission and the authorizer shall be primary parties to all
21 accounts created pursuant to this subsection. To enable charter



1 schools to access state funding prior to the start of each
2 school year, foster their fiscal planning, enhance their
3 accountability, and avoid over-allocating general funds to
4 charter schools based on self-reported enrollment projections,
5 authorizers shall:

- 6 (1) Provide sixty per cent of a charter school's per-pupil
7 allocation based on the charter school's projected
8 student enrollment no later than July 20 of each
9 fiscal year; provided that the charter school shall
10 have submitted to its authorizer a projected student
11 enrollment no later than May 15 of each year;
- 12 (2) Provide an additional thirty per cent of a charter
13 school's per-pupil allocation no later than December 1
14 of each year, based on the October 15 student
15 enrollment, as reviewed and verified by the
16 authorizer[~~, only to schools~~]; provided that the
17 school is in compliance with all financial reporting
18 requirements; and
- 19 (3) Retain no more than the balance of the remaining ten
20 per cent of a charter school's per-pupil allocation,
21 as a contingency balance to ensure fiscal



1 SECTION 5. Section 302A-122, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "[+]§302A-122[+] Board of education; eligibility. (a)

4 Except as otherwise provided by law, state officers shall be
5 eligible for appointment and membership to the board.

6 (b) No person shall be eligible for appointment to the
7 board:

8 (1) Under section 302A-121(a)(1) through (4) unless the
9 person is a resident of the county from which the
10 person is to be appointed; [~~or~~]

11 (2) Under section 302A-121(a)(5) unless the person is a
12 resident of the State[~~or~~]; or

13 (3) If the person was affiliated with any public charter
14 school within four years preceding appointment to the
15 board. For the purposes of this paragraph,
16 "affiliated" means attached or connected as a current
17 or previous employee, governing board member, vendor,
18 contractor, agent, or representative."

19 SECTION 6. Section 302D-8, Hawaii Revised Statutes, is
20 amended to read as follows:



1 SECTION 8. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 9. This Act shall take effect on July 1, 2050.



Report Title:

Charter Schools; Authorizers; Audit; Federal Investigation;
Funding; Banking Account System

Description:

Transfers control of public funds disbursed to a charter school to the State Public Charter School Commission upon filing of criminal charges against an employee of the charter school for actions taken in the course of employment at the charter school. Requires establishment of a banking account system to pay charter school expenses. Requires authorizers to select the independent auditors. Prohibits individuals from serving as Board of Education or Charter School Commission members if the individual was affiliated with a charter school within four years preceding appointment. Effective 7/1/2050. (SD1)

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