

JAN 24 2018

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# A BILL FOR AN ACT

RELATING TO CHARTER SCHOOLS.

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

1           SECTION 1. The legislature finds that establishing a  
2 facilities special fund for the state public charter school  
3 commission and charter schools will create a mechanism for  
4 providing and distributing funding for facility costs.

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

8           "§302D-       Charter schools facilities special fund. (a)

9 There is established in the state treasury the charter schools  
10 facilities special fund.

11           (b) The following shall be deposited into the special  
12 fund:

13           (1) Appropriations by the legislature for facilities  
14 funding pursuant to section 302D-29.5; and

15           (2) Grants and donations from the federal government or  
16 any other governmental agency or any private person  
17 for charter schools facility funding.



1        (c) The proceeds of the special fund shall be expended for  
2 the funding of charter school facilities in accordance with  
3 legislative appropriations pursuant to section 302D-29.5.

4        (d) No debt service on any bonds shall be paid from the  
5 special fund.

6        (e) No payment shall be made from the special fund for any  
7 obligation of the commission or a charter school under any  
8 financing agreement entered into pursuant to chapter 37D.

9        (f) The commission shall administer the special fund."

10        SECTION 3. Section 36-27, Hawaii Revised Statutes, is  
11 amended by amending subsection (a) to read as follows:

12        "(a) Except as provided in this section, and  
13 notwithstanding any other law to the contrary, from time to  
14 time, the director of finance, for the purpose of defraying the  
15 prorated estimate of central service expenses of government in  
16 relation to all special funds, except the:

17        (1) Special out-of-school time instructional program fund  
18            under section 302A-1310;

19        (2) School cafeteria special funds of the department of  
20            education;

21        (3) Special funds of the University of Hawaii;



- 1           (4) State educational facilities improvement special fund;
- 2           (5) Convention center enterprise special fund under
- 3           section 201B-8;
- 4           (6) Special funds established by section 206E-6;
- 5           (7) Aloha Tower fund created by section 206J-17;
- 6           (8) Funds of the employees' retirement system created by
- 7           section 88-109;
- 8           (9) Hawaii hurricane relief fund established under chapter
- 9           431P;
- 10          (10) Hawaii health systems corporation special funds and
- 11          the subaccounts of its regional system boards;
- 12          (11) Tourism special fund established under section
- 13          201B-11;
- 14          (12) Universal service fund established under section
- 15          269-42;
- 16          (13) Emergency and budget reserve fund under section
- 17          328L-3;
- 18          (14) Public schools special fees and charges fund under
- 19          section 302A-1130;
- 20          (15) Sport fish special fund under section 187A-9.5;
- 21          [+] (16) [+] Neurotrauma special fund under section 321H-4;



- 1    [+] (17) [+]   Glass advance disposal fee established by section
- 2                    342G-82;
- 3    [+] (18) [+]   Center for nursing special fund under section
- 4                    304A-2163;
- 5    [+] (19) [+]   Passenger facility charge special fund established
- 6                    by section 261-5.5;
- 7    [+] (20) [+]   Solicitation of funds for charitable purposes
- 8                    special fund established by section 467B-15;
- 9    [+] (21) [+]   Land conservation fund established by section
- 10                   173A-5;
- 11   [+] (22) [+]   Court interpreting services revolving fund under
- 12                   section 607-1.5;
- 13   [+] (23) [+]   Trauma system special fund under section 321-22.5;
- 14   [+] (24) [+]   Hawaii cancer research special fund;
- 15   [+] (25) [+]   Community health centers special fund;
- 16   [+] (26) [+]   Emergency medical services special fund;
- 17   [+] (27) [+]   Rental motor vehicle customer facility charge
- 18                   special fund established under section 261-5.6;
- 19   [+] (28) [+]   Shared services technology special fund under
- 20                   section 27-43;



1    [+] (29) [+] Automated victim information and notification system  
2                   special fund established under section 353-136;  
3    [+] (30) [+] Deposit beverage container deposit special fund  
4                   under section 342G-104;  
5    [+] (31) [+] Hospital sustainability program special fund under  
6                   [+]section 346G-4[+];  
7    [+] (32) [+] Nursing facility sustainability program special fund  
8                   under [+]section 346F-4[+];  
9    [+] (33) [+] Hawaii 3R's school improvement fund under section  
10                  302A-1502.4;  
11   [+] (34) [+] After-school plus program revolving fund under  
12                  section 302A-1149.5; [and]  
13   [+] (35) [+] Civil monetary penalty special fund under section  
14                  321-30.2[7]; and  
15        (36) Charter schools facilities special fund under section  
16        302D-\_\_\_\_\_ ,  
17 shall deduct five per cent of all receipts of all other special  
18 funds, which deduction shall be transferred to the general fund  
19 of the State and become general realizations of the State. All  
20 officers of the State and other persons having power to allocate  
21 or disburse any special funds shall cooperate with the director



1 in effecting these transfers. To determine the proper revenue  
2 base upon which the central service assessment is to be  
3 calculated, the director shall adopt rules pursuant to chapter  
4 91 for the purpose of suspending or limiting the application of  
5 the central service assessment of any fund. No later than  
6 twenty days prior to the convening of each regular session of  
7 the legislature, the director shall report all central service  
8 assessments made during the preceding fiscal year."

9 SECTION 4. Section 36-30, Hawaii Revised Statutes, is  
10 amended by amending subsection (a) to read as follows:

- 11 "(a) Each special fund, except the:
- 12 (1) Special out-of-school time instructional program fund  
13 under section 302A-1310;
  - 14 (2) School cafeteria special funds of the department of  
15 education;
  - 16 (3) Special funds of the University of Hawaii;
  - 17 (4) State educational facilities improvement special fund;
  - 18 (5) Special funds established by section 206E-6;
  - 19 (6) Aloha Tower fund created by section 206J-17;
  - 20 (7) Funds of the employees' retirement system created by  
21 section 88-109;



- 1 (8) Hawaii hurricane relief fund established under chapter
- 2 431P;
- 3 (9) Convention center enterprise special fund established
- 4 under section 201B-8;
- 5 (10) Hawaii health systems corporation special funds and
- 6 the subaccounts of its regional system boards;
- 7 (11) Tourism special fund established under section
- 8 201B-11;
- 9 (12) Universal service fund established under section
- 10 269-42;
- 11 (13) Emergency and budget reserve fund under section
- 12 328L-3;
- 13 (14) Public schools special fees and charges fund under
- 14 section 302A-1130;
- 15 (15) Sport fish special fund under section 187A-9.5;
- 16 [+] (16) [+] Neurotrauma special fund under section 321H-4;
- 17 [+] (17) [+] Center for nursing special fund under section
- 18 304A-2163;
- 19 [+] (18) [+] Passenger facility charge special fund established
- 20 by section 261-5.5;



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- 1    [+] (19) [+]    Court interpreting services revolving fund under  
2                    section 607-1.5;
- 3    [+] (20) [+]    Trauma system special fund under section 321-22.5;
- 4    [+] (21) [+]    Hawaii cancer research special fund;
- 5    [+] (22) [+]    Community health centers special fund;
- 6    [+] (23) [+]    Emergency medical services special fund;
- 7    [+] (24) [+]    Rental motor vehicle customer facility charge  
8                    special fund established under section 261-5.6;
- 9    [+] (25) [+]    Shared services technology special fund under  
10                   section 27-43;
- 11   [+] (26) [+]    Nursing facility sustainability program special fund  
12                   established pursuant to [+]section 346F-4[+];
- 13   [+] (27) [+]    Automated victim information and notification system  
14                   special fund established under section 353-136;
- 15   [+] (28) [+]    Hospital sustainability program special fund under  
16                   [+]section 346G-4[+~~;~~and];
- 17   [+] (29) [+]    Civil monetary penalty special fund under section  
18                   321-30.2[~~r~~]; and
- 19    (30) Charter schools facilities special fund under section  
20                   302D- ,



1 shall be responsible for its pro rata share of the  
2 administrative expenses incurred by the department responsible  
3 for the operations supported by the special fund concerned."

4 SECTION 5. Section 302D-19, Hawaii Revised Statutes, is  
5 amended by amending subsection (c) to read as follows:

6 "(c) [~~In the event of~~] If a public charter school  
7 [~~closure~~] closes for any reason[~~, if~~] and the public charter  
8 school received an appropriation for capital improvements to its  
9 facilities, the charter school or its authorizer shall negotiate  
10 with the expending agency for a lump sum or installment  
11 repayment to the State of the amounts appropriated. This  
12 restriction shall be registered, recorded, and indexed in the  
13 bureau of conveyances or with the assistant registrar of the  
14 land court as an encumbrance on the property. Amounts received  
15 from the repayment under this subsection shall be deposited into  
16 the general fund[~~-~~] if the appropriation for the capital  
17 improvements was made from other than the charter schools  
18 facilities special fund. If the appropriation for the capital  
19 improvements was made from the charter schools facilities  
20 special fund, the payment shall be deposited into that special  
21 fund."



1 SECTION 6. Section 302D-25, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "§302D-25 **Applicability of state laws.** (a) Charter  
4 schools shall be exempt from chapters 91 and 92 and all other  
5 state laws in conflict with this chapter, except those  
6 regarding:

7 (1) Collective bargaining under chapter 89; provided that:

8 (A) The exclusive representatives as defined in  
9 chapter 89 and the governing board of the charter  
10 school may enter into supplemental agreements  
11 that contain cost and noncost items to facilitate  
12 decentralized decision-making;

13 (B) The agreements shall be funded from the current  
14 allocation or other sources of revenue received  
15 by the charter school; provided that collective  
16 bargaining increases for employees shall be  
17 allocated by the department of budget and finance  
18 to the charter school's authorizer for  
19 distribution to the charter school; and

20 (C) These supplemental agreements may differ from the  
21 master contracts negotiated with the department;



1 (2) Discriminatory practices under section 378-2; and

2 (3) Health and safety requirements.

3 (b) Charter schools, the commission, and authorizers shall  
4 be exempt from chapter 103D, but shall develop internal policies  
5 and procedures for the procurement of goods, services, and  
6 construction, consistent with the goals of public accountability  
7 and public procurement practices. Charter schools, the  
8 commission, and authorizers are encouraged to use the provisions  
9 of chapter 103D where possible; provided that the use of one or  
10 more provisions of chapter 103D shall not constitute a waiver of  
11 the exemption from chapter 103D and shall not subject the  
12 charter school, commission, or authorizer to any other provision  
13 of chapter 103D. Charter schools, the commission, and  
14 authorizers shall account for funds expended for the procurement  
15 of goods and services, and this accounting shall be available to  
16 the public.

17 (c) Charter schools and their employees, the commission  
18 and its employees, and governing boards and their members shall  
19 be subject to chapter 84.

20 (d) Any charter school, prior to the beginning of the  
21 school year, may enter into an annual contract with any



1 department for centralized services to be provided by that  
2 department.

3 (e) Notwithstanding any law to the contrary, as public  
4 schools and entities of the State, a charter school, including  
5 its governing board, the commission, and any authorizer may not  
6 bring suit against any other entity or agency of the State.

7 (f) Charter schools, the commission, and authorizers shall  
8 be exempt from section 302A-1401.

9 (g) For purposes of statutory delegation of authority to  
10 department heads by other state agencies, the executive director  
11 shall be deemed the department head of the commission and  
12 charter schools unless otherwise specifically provided.

13 (h) The charter schools facilities special fund shall be  
14 exempt from the central service expense assessment of section  
15 36-27 and departmental administrative expense assessment of  
16 section 36-30."

17 SECTION 7. Statutory material to be repealed is bracketed  
18 and stricken. New statutory material is underscored.

19 SECTION 8. This Act shall take effect on July 1, 2018.

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INTRODUCED BY:

*Rossly H Baker*

*Jim [Signature]*  
*[Signature]*



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# S.B. NO. 2907

**Report Title:**

Charter Schools Facilities Special Fund; Establishment

**Description:**

Establishes a special fund for public charter school facilities funding. Provides assessment exemptions.

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

