
A BILL FOR AN ACT

RELATING TO OPTIONS FOR STUDENTS IN DEPARTMENT OF EDUCATION
SCHOOLS.

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

1 SECTION 1. The purpose of this Act is to provide clarity
2 and consistency with regard to commercial enterprise activities
3 in schools by:

4 (1) Broadening the scope of profit-making operations
5 students may engage in at schools to include
6 commercial enterprises, while ensuring that engagement
7 in commercial enterprises shall be related to the
8 primary educational purposes of the school, career
9 pathway, academy, or program as required by section
10 302A-448, Hawaii Revised Statutes; and

11 (2) Allowing students to receive school credit,
12 compensation, or both, when engaging in profit-making
13 operations.

14 SECTION 2. Section 302A-420, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "§302A-420 Profits [to pupils.] and school credit for
17 students. All net profits arising from agricultural [and],



1 industrial, or commercial enterprise pursuits [~~under sections~~
2 ~~302A-420 to 302A-431~~] at any school, under the rules of the
3 department:

4 (1) Shall be used by the school to support agricultural,
5 industrial, and commercial enterprise pursuit programs
6 and for the purchase of equipment and [~~material,~~]
7 materials, not otherwise provided for in the school
8 budget, that will be of general benefit to the
9 [~~pupils,~~] students; or

10 (2) May be distributed among the [~~pupils~~] students
11 actually engaged in the pursuits[-]; provided that
12 school credit may also be granted to students engaged
13 in the permitted operations, either in addition to, or
14 in lieu of, any net profits distributed to the
15 students;

16 provided further that the commercial enterprise does not affect
17 the tax-exempt status of general obligation bonds and complies
18 with the requirements of section 302A-448. The department shall
19 provide for the keeping of simple books of account, showing the
20 source and distribution of the money resulting from the



1 operations carried on pursuant to this section, and for the
2 auditing of these books of account at least quarterly."

3 SECTION 3. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 4. This Act shall take effect on July 1, 2022.



Report Title:

Department of Education; Profit and School Credit for Students;
School Commercial Enterprises

Description:

Broadens the scope of profit-making operations students may engage in at schools to include commercial enterprises, while ensuring that engagement in commercial enterprises shall be related to the primary educational purposes of the school, career pathway, academy, or program. Allows students to receive school credit, compensation, or both, when they engage in profit-making operations. (CD1)

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