
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:



1 "§302A-420 Profits [~~to pupils~~] and school credit for
2 students. All net profits arising from agricultural [~~and~~],
3 industrial, or commercial enterprise pursuits [~~under sections~~
4 302A-420 to 302A-431] at any school[~~;~~]; provided that the
5 commercial enterprise does not affect the tax exempt status of
6 general obligation bonds and complies with the requirements of
7 section 302A-448, under the rules of the department:

- 8 (1) Shall be used by the school to support agricultural,
9 industrial, and commercial enterprise pursuit programs
10 and for the purchase of equipment and [~~material,~~
11 materials, not otherwise provided for in the school
12 budget, that will be of general benefit to the
13 [~~pupils,~~] students; or
- 14 (2) May be distributed among the [~~pupils~~] students
15 actually engaged in the pursuits[~~;~~]; provided further
16 that school credit may also be granted to students
17 engaged in the permitted operations, either in
18 addition to, or in lieu of, any net profits
19 distributed to the students.

20 The department shall provide for the keeping of simple books of
21 account, showing the source and distribution of the money



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

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 Statutory material to be repealed is bracketed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

6 SECTION 4. This Act shall take effect upon its approval.



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. (SD2)

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