

STAND. COM. REP. NO. 3395

Honolulu, Hawaii

MAR 24 2022

RE: H.B. No. 1865  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2022  
State of Hawaii

Sir:

Your Committee on Education, to which was referred H.B. No. 1865, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CHARTER SCHOOLS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Repeal the exemption for charter schools from the requirements on the administration and use of the federal funds allocated to the State for public education purposes;
- (2) Clarify that the disbursement of these funds shall not be conditioned on the agreement of a public charter school to amend an existing charter contract; and
- (3) Amend the manner in which per-pupil funds are disbursed to public charter schools.

Your Committee received testimony in support of this measure from Kanuikapono Public Charter School; South Maui Learning Ohana, Inc.; Kihei Charter School; and twenty-two individuals. Your Committee received comments on this measure from the Department of the Attorney General and Department of Education.



Your Committee finds that there have been reports that the State Public Charter School Commission has handled per-pupil funding allocations in a manner that is inconsistent with chapter 302D, Hawaii Revised Statutes, and the legislative intent of that chapter, thereby necessitating this measure in its original form. Your Committee notes, however, concern expressed in testimony regarding proposed amendments to the disbursement of this funding. Accordingly, this measure clarifies chapter 302D, Hawaii Revised Statutes, by amending the manner in which per-pupil funds are disbursed to public charter schools and requiring authorizers to timely provide certain information to public charter schools.

Your Committee has amended this measure by:

- (1) Reverting proposed amendments to section 302D-25, Hawaii Revised Statutes, to restore the existing federal law exemption for charter schools, the State Public Charter School Commission, and authorizers;
- (2) Reverting proposed amendments to section 302D-28, Hawaii Revised Statutes, to restore the existing law's process of requiring authorizers to distribute certain federal funds to charter schools;
- (3) Deleting proposed amendments to section 302D-28, Hawaii Revised Statutes, to restore existing law;
- (4) Clarifying that the State Public Charter School Commission has the discretion to determine whether to consult with the Board of Education in adjustments to allocations;
- (5) Inserting a blank appropriation for certain infrastructure costs and related expenses for eligible public charter schools, subject to lease review and approval by the Department of the Attorney General under certain circumstances;
- (6) Amending section 1 to reflect its amended purpose; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1865, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1865, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Education,



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MICHELLE N. KIDANI, Chair



The Senate  
Thirty-First Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Education**  
**EDU**

Bill / Resolution No.:* <b>HB 1965, HD1</b>	Committee Referral: <b>EDU, WAM</b>	Date: <b>3/21/22</b>
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The Committee is reconsidering its previous decision on this measure.  
If so, then the previous decision was to: \_\_\_\_\_

The Recommendation is:

Pass, unamended 2312    
 Pass, with amendments 2311    
 Hold 2310    
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
KIDANI, Michelle N. (C)	/			
KIM, Donna Mercado (VC)	/			.
DELA CRUZ, Donovan M.				/
KANUHA, Dru Mamo				/
FEVELLA, Kurt	/			
<b>TOTAL</b>	<b>3</b>			<b>2</b>

Recommendation:      Adopted      Not Adopted

Chair's or Designee's Signature:  
*Donna Mercado Kim*

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**\*Only one measure per Record of Votes**