STAND. COM. REP. NO.

718

Honolulu, Hawaii

, 2023

FEB 17

RE: H.B. No. 744

H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-Second State Legislature Regular Session of 2023 State of Hawaii

Sir:

Your Committee on Education, to which was referred H.B. No. 744 entitled:

"A BILL FOR AN ACT RELATING TO BOOSTER CLUBS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require school booster clubs to be audited on a regular basis by the Department of Education's Internal Audit Office or the Department of Accounting and General Services; and
- (2) Require the audited school booster club to reimburse the auditing entity with the costs of the audit.

Your Committee received comments on this measure from the Department of Education and Department of Accounting and General Services.

Your Committee finds that, although school booster clubs are independent organizations that are separate from the Department of Education, school booster clubs are publicly perceived as being overseen by the Department and the specific schools to which they are connected. As such, these booster clubs benefit financially from those affiliations. Your Committee further finds that

additional oversight is needed for school booster clubs to ensure that funds intended for public schools are not misused and ensure compliance with federal and state laws.

Your Committee has amended this measure by:

- (1) Requiring the Department of the Attorney General's Tax and Charities Division, rather than the Department of Education or Department of Accounting and General Services, to audit the school booster clubs;
- (2) Requiring the audits only for school booster clubs that raise more than \$50,000;
- (3) Changing its effective date to June 30, 3000; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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. 744, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 744, H.D. 1, and be referred to your Committee on Finance.

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

JUSZIN A. WOODSON, Chair

## State of Hawaii House of Representatives The Thirty-second Legislature

HSCR 718

## **Record of Votes of the Committee on Education**

Bill/Resolution No.:	Committee Referral:	Date	· 2/16/23	7
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to:  Pass, unamended (as is)  Pass, with amendments (HD)  Hold  Pass short form bill with HD to recommit for future public hearing (recommit)				
EDN Members	Ayes	Ayes (WR)	Nays	Excused
1. WOODSON, Justin H. (C)	/			
2. MARTEN, Lisa (VC)				
3. KAPELA, Jeanne	/			
4. MARTINEZ, Rose				
5. MATAYOSHI, Scot Z.				
6. PERRUSO, Amy A.				<del> </del>
7. QUINLAN, Sean				
8. TODD, Chris	and the state of t			/
8. TODD, Chris  9. GARCIA, Diamond				
9. GARCIA, Diamond				
9. GARCIA, Diamond  TOTAL (9)	6			
9. GARCIA, Diamond	ed 🚨 Not Adopt	did not suppo	ort recommendation	n.
9. GARCIA, Diamond  TOTAL (9)  The recommendation is:	ed 🔲 Not Adopt	did not suppo	ort recommendation	n.