### 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 facilities funding
- 2 has been a long-standing issue for charter schools nationally
- 3 and locally. In Hawaii, start-up charter schools have paid for
- 4 the costs of their facilities from operational funds. However,
- 5 section 302D-29, Hawaii Revised Statutes, provides that the
- 6 legislature can make appropriations to and authorize bonds for
- 7 the state public charter school commission for public charter
- 8 school improvements to address issues of health, safety, and
- 9 legal compliance; expand or improve instructional space; provide
- 10 for food services; or provide restroom facilities.
- 11 Additionally, Act 234, Session Laws of Hawaii 2015,
- 12 authorized a framework for providing facilities funding and
- 13 support for public charter school facilities with adequate
- 14 prioritization, oversight, and accountability by the charter
- 15 school facilities funding working group.
- 16 On March 11, 2019, the charter school facilities funding
- 17 working group issued its report providing the framework and

| 1  | process f | or dis  | stributing charter school facilities funding that |  |
|----|-----------|---|---|--|
| 2  | prioritiz | es fur  | nding based on the following:                     |  |
| 3  | (1)       | The r   | needs of the charter school, overall benefit to   |  |
| 4  |           | the s   | surrounding community, amount of risk and         |  |
| 5  |           | avail   | lability of recourse to the State, and whether a  |  |
| 6  |           | particular charter school received facilities funding |   |  |
| 7  |           | through other state funding, including grants-in-aid  |   |  |
| 8  |           | or a  | separate appropriation;                           |  |
| 9  | (2)       | The e   | existence of substandard facilities; the need to  |  |
| 10 |           | addre   | ess providing equity and adequacy as well as      |  |
| 11 |           | issue   | es of health, safety, and legal compliance;       |  |
| 12 | (3)       | Whether a school's facilities are located on state    |   |  |
| 13 |           | property or under an agreement whereby the State      |   |  |
| 14 |           | controls the property with at least twenty years      |   |  |
| 15 |           | remai   | ining;  |  |
| 16 | (4)       | Benet   | Fits to the surrounding community, including:     |  |
| 17 |           | (A)   | Relieving overcrowding in district schools caused |  |
| 18 |           |   | by an increasing student population;              |  |
| 19 |           | (B)   | Providing families an option when schools in      |  |
| 20 |           |   | their district are low performing; and            |  |

| 1  | (C) Requiring schools to provide a clear statement o            |
|----|---|
| 2  | public need along with policies and guidelines                  |
| 3  | for public use if requesting funds for a new                    |
| 4  | building or renovating an existing space,                       |
| 5  | including cafeterias, libraries, or auditoriums,                |
| 6  | that would be made available to the public;                     |
| 7  | (5) Title I schools; and  |
| 8  | (6) Facilities to be built or repaired meet requirements        |
| 9  | for or have been issued building permits and comply             |
| 10 | with county laws.   |
| 11 | The legislature further finds that public charter schools       |
| 12 | receive inadequate funding to support student learning and that |
| 13 | more funding for charter school facilities needs to be made.    |
| 14 | Public charter schools that lack adequate building facilities   |
| 15 | are sometimes forced to hold classes outdoors, on covered       |
| 16 | lanais, or in unstable temporary structures and need sufficient |
| 17 | funding to address these inadequacies.                          |
| 18 | The purpose of this Act is to provide funding to the state      |
| 19 | public charter school commission for distribution to public     |
| 20 | charter schools, based on the distribution methodology          |
| 21 | determined by the charter school facilities funding working     |

- 1 group report, for infrastructure costs, the rental or lease of
- 2 charter school facilities, and the repair and maintenance of
- 3 network infrastructure for charter schools.
- 4 SECTION 2. Section 302D-29.5, Hawaii Revised Statutes, is
- 5 amended by amending subsection (a) to read as follows:
- 6 "\$302D-29.5 Facilities funding. (a) Beginning with the
- $7 \quad [\frac{2016-2017}{2016-2017}]$  2023-2024 fiscal year, and each fiscal year
- 8 thereafter, the legislature shall consider making an
- 9 appropriation and bond authorization to the commission for the
- 10 design, planning, construction, repair, and maintenance of
- 11 public charter school improvements to address issues of health,
- 12 safety, and legal compliance; expand or improve instructional
- 13 space; provide for rental or lease of facilities; provide for
- 14 food services; or provide restroom facilities. The
- 15 appropriation and bond authorization for charter schools shall
- 16 be separate from, and in addition to, any appropriation made to
- 17 charter schools pursuant to [this section and] section 302D-28.
- 18 These amounts shall be prioritized for allocation by the charter
- 19 school facilities funding working group."
- 20 SECTION 3. There is appropriated out of the general
- 21 revenues of the State of Hawaii the sum of \$ or so

- 1 much thereof as may be necessary for fiscal year 2023-2024 and
- 2 the same sum or so much thereof as may be necessary for fiscal
- 3 year 2024-2025 for the state public charter school commission to
- 4 allocate to charter schools, based on the distribution
- 5 methodology determined by the charter school facilities funding
- 6 working group, for infrastructure costs, lease or rent
- 7 assistance based in part on the need and financial performance
- 8 of the charter schools, and repair and maintenance of network
- 9 infrastructure.
- 10 The sums appropriated shall be expended by the state public
- 11 charter school commission for the purposes of this Act.
- 12 SECTION 4. This Act shall take effect on July 1, 2023.

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INTRODUCED BY:

JAN 2 5 2023

#### Report Title:

Charter Schools; Facilities Funding; Infrastructure; Appropriation

### Description:

Provides funding for rental or lease of facilities under legislative appropriations and bond authorizations to the state public charter school commission for the design, planning, construction, repair, and maintenance of public charter school improvements. Appropriates general funds for infrastructure costs, rental or lease assistance, and the repair and maintenance of network infrastructure for charter schools.

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