
A BILL FOR AN ACT

RELATING TO SCHOOL CHOICE SCHOLARSHIP PROGRAM.

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

1 SECTION 1. The legislature finds that public schools in
2 Hawaii are experiencing overcrowding. Campbell High School,
3 with more than three thousand students, is a notable example of
4 overcrowding. Alternative education options such as private
5 schools and charter schools help alleviate the pressure on the
6 public school system. Further, parents should have the right to
7 choose which educational setting their children should learn in.
8 The overwhelming financial burden of private and charter
9 education is a primary hurdle preventing parents from exercising
10 their autonomy over their children's education.

11 The State of Hawaii spends between \$15,000 and \$17,000 per
12 child per year for public education. The legislature finds that
13 offering a scholarship of less than the State's annual
14 expenditure per child is a cost-effective method of alleviating
15 overburdened public schools and promoting parental choice.

16 The purpose of this Act is to offer families an educational
17 choice through the provision of funds for nonpublic school



1 tuition and fees. This program will assist students in their
2 endeavors to become well-educated and productive members of
3 society. The provisions of this Act are in the public interest,
4 for the public benefit, and serve a secular public purpose.

5 SECTION 2. Chapter 302A, Hawaii Revised Statutes, is
6 amended by adding a new part to be appropriately designated and
7 to read as follows:

8 **"PART .SCHOOL CHOICE SCHOLARSHIP**

9 **§302A-A Definitions.** For the purposes of this section:

10 "Board" means the board of education.

11 "Department" means the department of education.

12 "Elementary school" means an institutional day or
13 residential school, including a public elementary charter
14 school, or private school, of secular or non-secular nature,
15 that provides elementary education, including kindergarten, as
16 determined under State law.

17 "Eligible entity" or "entity" means any of the following:

18 (1) An educational entity of the State.

19 (2) A nonprofit organization.

20 (3) A consortium of nonprofit organizations.

21 "Eligible student" means a student who:



1 (1) Is a resident of the State; and

2 (2) Comes from a household whose income does not exceed an
3 amount that is four times the federal poverty line.

4 "Grantee" means an eligible entity that receives a grant.

5 "Parent" means biological or adoptive mother or father, or
6 a legal guardian or other person standing in loco parentis, such
7 as a grandparent or stepparent with whom the child lives, or a
8 person who is legally responsible for the child's welfare.

9 "Poverty line" means the poverty line as defined by the
10 U.S. Office of Management and Budget, and revised annually in
11 accordance with 42 U.S.C. § 9902(2).

12 "Secondary school" means an institutional day or
13 residential school, including a public secondary charter
14 school or private school, of secular or non-secular nature, as
15 determined under State law, except that the term does not
16 include any education beyond grade twelve.

17 **§302A-B General authority.** (a) Funds shall be
18 appropriated to the department to carry out this part. From
19 those funds, the board shall award grants on a competitive basis
20 to eligible entities with approved applications under section
21 302A-C to carry out activities to provide eligible students with



1 expanded school choice opportunities. The board shall award a
2 single grant per eligible student, but may award multiple grants
3 per family if there are multiple eligible students.

4 (b) The board may make grants under this section for a
5 period of not more than five years.

6 (c) The board and the governor shall enter into a
7 memorandum of understanding regarding the design of, selection
8 of eligible entities to receive grants under, and implementation
9 of, a program assisted under this part.

10 **§302A-C Priorities.** In awarding grants under this part,
11 the board shall give priority to applications from eligible
12 entities that will most effectively:

- 13 (1) Give priority to eligible students who, in the school
14 year preceding the school year for which the eligible
15 student is seeking a scholarship, attended an
16 elementary school or secondary school identified for
17 improvement, corrective action, or restructuring under
18 section 1116 of the Elementary and Secondary Education
19 Act of 1965 (20 U.S.C. § 6316);



(2) Target resources to students and families that lack the financial resources to take advantage of available educational options; and

(3) Provide students and families with the widest range of educational options.

§302A-D Use of funds. (a) Subject to subsections (b) and (c), a grantee shall use the grant funds to provide eligible students with scholarships to pay the tuition, fees, and transportation expenses, if any, to enable them to attend the nonpublic elementary school or secondary school of their choice. Each grantee shall ensure that the amount of any tuition or fees charged by a school participating in the grantee's program under this part to an eligible student participating in the program does not exceed the amount of tuition or fees that the school customarily charges to students who do not participate in the program.

(b) A grantee shall make scholarship payments under this part to the parent of the eligible student participating in the program, in a manner which ensures that such payments will be used for the payment of tuition, fees, and transportation expenses (if any), in accordance with this part.



1 (c) The amount of assistance shall be set at \$10,000 per
2 student per academic year.

3 **§302A-E Nondiscrimination.** (a) An entity or a school
4 participating in any program under this part shall not
5 discriminate against program participants or applicants on the
6 basis of race, color, national origin, religion, or sex.

7 (b) Notwithstanding any other provision of law, the
8 prohibition of sex discrimination in subsection (a) shall not
9 apply to a participating school that is operated by, supervised
10 by, controlled by, or connected to a religious organization to
11 the extent that the application of subsection (a) is
12 inconsistent with the religious tenets of the school.

13 (c) Notwithstanding subsection (a) or any other provision
14 of law, a parent may choose, and a school may offer, a single
15 sex school, class, or activity.

16 (d) Notwithstanding any other provision of law, a school
17 participating in any program under this part that is operated
18 by, supervised by, controlled by, or connected to, a religious
19 organization may exercise its discretion in matters of
20 employment consistent with title VII of the Civil Rights Act of



1 1964, 42 U.S.C. 2000e-1 et seq., including the exemptions in
2 such title.

3 (e) Notwithstanding any other provision of law, funds made
4 available under this part to eligible students that are received
5 by a participating school, as a result of their parents' choice,
6 shall not, consistent with the first amendment of the United
7 States Constitution, necessitate any change in the participating
8 school's teaching mission, require any participating school to
9 remove religious art, icons, scriptures, or other symbols, or
10 preclude any participating school from retaining religious terms
11 in its name, selecting its board members on a religious basis,
12 or including religious references in its mission statements and
13 other chartering or governing documents.

14 (f) A scholarship, or any other form of support provided
15 to parents of eligible students, under this part shall be
16 considered assistance to the student and shall not be considered
17 assistance to the school that enrolls the eligible student. The
18 amount of any scholarship, or other form of support provided to
19 parents of an eligible student, under this part shall not be
20 treated as income of the parents for purposes of State tax laws
21 or for determining eligibility for any other State program.



1 **§302A-F Evaluations.** (a) The board, directly or by grant,
2 contract, or cooperative agreement, shall:

3 (1) Conduct an evaluation using the strongest possible
4 research design for determining the effectiveness of
5 the programs funded under this part that addresses the
6 issues described in subsection (b); and

7 (2) Disseminate information on the impact of the programs
8 in increasing the student academic achievement of
9 participating students, as well as other appropriate
10 measures of student success, and on the impact of the
11 programs on students and schools in the State.

12 (b) The issues set forth in subsection (a) shall include
13 the following:

14 (1) A comparison of the academic achievement of students
15 who participate in the programs funded under this part
16 with the academic achievement of students of similar
17 backgrounds who do not participate in such programs,
18 including a consideration of school factors that may
19 contribute to any differences in their academic
20 achievement;



- 1 (2) The success of the programs in expanding choice
2 options for parents;
- 3 (3) The reasons parents choose for their children to
4 participate in the programs;
- 5 (4) A comparison of the retention rates, dropout rates,
6 and, if appropriate, graduation and college admission
7 rates of students who participate in the programs
8 funded under this part with the retention rates,
9 dropout rates, and, if appropriate, graduation and
10 college admission rates of students of similar
11 backgrounds who do not participate in such programs;
- 12 (5) The impact of the program on public elementary schools
13 and secondary schools in the State;
- 14 (6) A comparison of the safety of the schools attended by
15 students who participate in the programs and the
16 schools attended by students who do not participate in
17 the programs; and
- 18 (7) Such other issues as the board considers appropriate
19 for inclusion in the evaluation.
- 20 (c) The board shall submit the following to the
21 legislature:



(1) Annual interim reports not later than December 1 of each year for which a grant is made under this part on the progress and preliminary results of the evaluation of the programs funded under this part; and

(2) A final report not later than one year after the final year for which a grant is made under this part on the results of the evaluation of the programs funded under this part.

(d) All reports and underlying data gathered pursuant to this section shall be made available to the public upon request, in a timely manner following submission of the applicable report under subsection (c), except that personally identifiable information shall not be disclosed or made available to the public.

(e) The amount expended by the board to carry out this section for any fiscal year may not exceed three percent of the total amount appropriated to carry out this part for the year.

§302A-G Reporting requirements. (a) Each grantee receiving funds under this part during a year shall submit a report to the board not later than July 30 of the following year



1 regarding the activities carried out with the funds during the
2 preceding year.

3 (b) In addition to the reports required under subsection
4 (a), each grantee shall, not later than September 1 of the year
5 during which the second academic year of the grantee's program
6 is completed and each of the next two years thereafter, submit a
7 report to the board regarding the data collected in the previous
8 two academic years concerning:

9 (1) The academic achievement of students participating in
10 the program;

11 (2) The graduation and college admission rates of students
12 who participate in the program, where appropriate; and

13 (3) Parental satisfaction with the program.

14 No report under this subsection may contain any personally
15 identifiable information.

16 (c) Each grantee shall ensure that each school
17 participating in the grantee's program under this part during a
18 year report at least once during the year to the parents of each
19 of the school's students who are participating in the program on
20 the following matters:



(1) The student's academic achievement, as measured by a comparison with the aggregate academic achievement of other participating students at the student's school in the same grade or level, as appropriate, and the aggregate academic achievement of the student's peers at the student's school in the same grade or level, as appropriate; and

(2) The safety of the school, including the incidence of school violence, student suspensions, and student expulsions.

No report under this subsection may contain any personally identifiable information, except as to the student who is the subject of the report to that student's parent.

(d) The board shall submit to the legislature an annual report on the findings of the reports submitted under this section.

§302A-H Other requirements for participating schools. (a)

Each school participating in a program funded under this part shall comply with all requests for data and information regarding evaluations conducted under section §302A-G.



(b) A participating school may require eligible students to abide by any rules of conduct and other requirements applicable to all other students at the school.

(c) Each participating school shall:

- (1) Ensure that participating eligible students receive comparable academic assessments in the same grade levels as those provided to State public school students, and ensure, to the maximum extent possible, that the assessment results are capable of being compared to determine the relative achievement levels between participating eligible students and State public school students in the same grades; and
- (2) Ensure academic assessment results containing any personally identifiable information shall be disclosed only to the parents of the student taking the assessment."

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ or so much thereof as may be necessary for fiscal year 2025-2026 and the same sum or so much thereof as may be necessary for fiscal



1 year 2026-2027 for the implementation of the school choice
2 scholarship program.

3 The sums appropriated shall be expended by the department
4 of education for the purposes of this Act.

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

6

INTRODUCED BY:



JAN 16 2025



H.B. NO. 273

Report Title:

School Choice; Grants; Scholarship; Nonpublic education

Description:

Establishes a School Choice Scholarship program which allows parents to exercise more financial freedom to send their children to nonpublic schools with the assistance of a \$10,000 grant for eligible students.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

