

---

---

# 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 lack of facilities  
2 funding is a significant financial and operational challenge for  
3 new century charter schools. Current funding for new century  
4 charter schools is calculated on a per-pupil allocation for each  
5 regular education and special education student based upon  
6 average enrollment in all cost categories, as published in the  
7 department of education's consolidated annual financial report.  
8 However, there is no allocation for charter schools to establish  
9 and maintain school facilities. The capacity to provide a long-  
10 term physical location, infrastructure maintenance, and building  
11 improvements contributes to the successful development and  
12 stability of individual charter schools.

13           Additionally, due to prohibitive costs and zoning  
14 restrictions, public charter schools often have great difficulty  
15 leasing affordable lands. The legislature believes that charter  
16 schools, as public schools and state agencies, should have  
17 access to state-held lands and buildings and enjoy comparable  
18 rates and conditions as those afforded other state agencies.



1           The purpose of this Act is to provide additional funding  
2 for new century charter schools to use for rent or lease costs  
3 and repair, maintenance, and improvement costs for charter  
4 school facilities, and to encourage the State to enter into  
5 long-term leases of public lands and buildings with charter  
6 schools for the location of school facilities.

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

10           "§302A-       Facilities funding for new century charter  
11 schools. (a) The department of education shall allocate funds  
12 to new century charter schools for the purpose of facilities  
13 rent or lease costs and repair, maintenance, and improvement  
14 costs. The amount provided shall be calculated on a per-pupil  
15 basis. The formula for the allocation shall be based on a five-  
16 year average of the department of education's debt service level  
17 as provided in the department's most recent consolidated annual  
18 financial report. The allocation for facilities is in addition  
19 to any other per-pupil allocation currently authorized under  
20 this chapter and received by the charter schools.

21           (b) To enable new century charter schools to access state  
22 funding prior to the start of each school year, foster their



1 fiscal planning, and enhance their accountability, the  
2 department shall allocate funds on the same schedule as the per  
3 pupil general allocation pursuant to section 302A-1185(c). This  
4 section does not apply to new century conversion charter  
5 schools."

6 SECTION 3. Chapter 171, Hawaii Revised Statutes, is  
7 amended by adding a new section to be appropriately designated  
8 and to read as follows:

9 "§171- Lease to public new century charter schools.  
10 Notwithstanding any limitations to the contrary, the board of  
11 land and natural resources may lease to new century charter  
12 schools, at nominal consideration, by direct negotiation and  
13 without recourse to public auction, public lands and buildings  
14 under the control of the department of land and natural  
15 resources. Except as provided in this section, the terms and  
16 conditions of sections 171-33 and 171-36 shall apply. The lands  
17 and buildings leased under this section shall be used by the new  
18 century charter schools for educational purposes only. This  
19 section shall not apply to new century conversion charter  
20 schools."

21 SECTION 4. There is appropriated out of the general  
22 revenues of the State of Hawaii the sum of \$ , or so

1 much thereof as may be necessary for fiscal year 2006-2007, for  
2 rent or lease costs and repair, maintenance, or improvement  
3 costs for new century charter school facilities.

4 SECTION 5. The sum appropriated shall be expended by the  
5 department of education for the purposes of this Act.

6 SECTION 6. New statutory material is underscored.

7 SECTION 7. This Act shall take effect on July 1, 2006.

**Report Title:**

Education; Charter Schools

**Description:**

Provides additional funding for new century charter school rent or lease and repair, maintenance, and improvement costs; encourages the State to enter into leases with charter schools at nominal rates comparable to other state agencies. (SD1)

