

JAN 25 2006

S.B. NO. 2710

A BILL FOR AN ACT

RELATING TO EDUCATION.

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

1 SECTION 1. The legislature finds that with the enactment
2 of Act 2, Session Laws of Hawaii 2002, two existing public
3 schools in high need communities have converted to new century
4 conversion charter schools. The transitions of these schools to
5 new century conversion charter schools have brought additional
6 financial resources, increased accountability, and improved
7 student achievement. It has increased community and family
8 involvement in school community activities to promote student
9 learning.

10 As the legislature increases its financial support to our
11 educational system, the nonprofit organizations for the new
12 century conversion charter schools will be faced with a greater
13 burden to match a minimum contribution of \$1 per pupil toward
14 the operation of the new century conversion charter school for
15 every \$4 per pupil allocated by the department of education. It
16 is not the intent of the legislature to discourage the nonprofit
17 organizations from supporting our educational system with
18 additional financial resources.



1 The minimum contribution of nonprofit organizations will
2 create a greater burden to them as the legislature increases its
3 support of our educational system. Because of this, nonprofit
4 organizations may be reluctant to support the creation of
5 additional new century conversion charter schools without
6 knowing what financial burdens they will face as the legislature
7 increases its funding level.

8 The purpose of this Act is to set forth a financial limit
9 on the total maximum contribution per pupil that the nonprofit
10 organization will be required to contribute in advance, should
11 they decide to undertake the creation of a new century
12 conversion charter school.

13 SECTION 2. Section 302A-1191, Hawaii Revised Statutes, is
14 amended by amending subsection (a) to read as follows:

15 "(a) As used in this section:

16 "New century conversion charter school" means:

- 17 (1) Any existing department school that converts to a
18 charter school and is managed and operated in
19 accordance with subsection (d); or
20 (2) Any existing department school that converts to a
21 charter school and is managed and operated by a



1 nonprofit organization in accordance with this
2 section, excluding subsection (d).

3 "Nonprofit organization" means a private, nonprofit, tax-
4 exempt entity that:

- 5 (1) Is recognized as a tax-exempt organization under
- 6 section 501(c)(3) of the Internal Revenue Code of
- 7 1986, as amended;
- 8 (2) Is domiciled in this State; and
- 9 (3) Makes a minimum annual contribution of \$1 per pupil
- 10 toward the operation of a new century conversion
- 11 charter school for every \$4 per pupil allocated by the
- 12 charter school administrative office for the operation
- 13 of the charter school[-]; provided that the maximum
- 14 annual contribution from the nonprofit organization
- 15 may but shall not be required to exceed \$ per
- 16 pupil per year."

17 SECTION 3. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

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

20
INTRODUCED BY: Norman Sakemfu

SB. NO. 2719

Report Title:

Education; Charter Schools; Per Pupil Allocation; Cap

Description:

Caps the maximum annual contribution from the charter school's nonprofit organization.

