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## A BILL FOR AN ACT

RELATING TO OPTIONS FOR STUDENTS IN DEPARTMENT OF EDUCATION  
SCHOOLS.

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

1       SECTION 1. The purpose of this Act is to provide clarity  
2 and consistency with regard to commercial enterprise activities  
3 in schools. This Act will broaden the scope of profit-making  
4 operations students may engage in at schools to include  
5 commercial enterprises, while ensuring that engagement in  
6 commercial enterprises shall be related to the primary  
7 educational purposes of the school, career pathway, academy, or  
8 program as set forth in chapter 302A, Hawaii Revised Statutes.  
9 This Act will allow students to receive school credit,  
10 compensation, or both, when engaging in profit-making  
11 operations.

12       SECTION 2. Section 302A-420, Hawaii Revised Statutes, is  
13 amended to read as follows:

14       "§302A-420 Profits [to pupils.] and school credit for  
15 students. All net profits arising from agricultural [and],  
16 industrial, or commercial enterprise pursuits [~~under sections~~  
17 ~~302A-420 to 302A-431~~] at any school, provided that the

1 commercial enterprise does not affect the tax exempt status of  
2 general obligation bonds, under the rules of the department:

3 (1) Shall be used by the school to support agricultural,  
4 industrial, and commercial enterprise pursuit programs  
5 and for the purchase of equipment and [material,]  
6 materials, not otherwise provided for in the school  
7 budget, that will be of general benefit to the  
8 [pupils,] students; or

9 (2) May be distributed among the [pupils] students  
10 actually engaged in the pursuits[-]; provided that  
11 school credit may also be granted to students engaged  
12 in the permitted operations.

13 The department shall provide for the keeping of simple books of  
14 account, showing the source and distribution of the money  
15 resulting from the operations carried on pursuant to this  
16 section, and for the auditing of these books of account at least  
17 quarterly."

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 Statutory material to be repealed is bracketed  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

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

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INTRODUCED BY: \_\_\_\_\_

23

BY REQUEST

JAN 24 2022

EDN-04 (22)

**Report Title:**

Department of Education; Profit and School Credit for Students;  
School Commercial Enterprises

**Description:**

Broadens the scope of profit-making operations students may engage in at schools to include commercial enterprises, while ensuring that engagement in commercial enterprises shall be related to the primary educational purposes of the school, career pathway, academy, or program. Allows students to receive school credit, compensation, or both, when they engage in profit-making operations.

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

## JUSTIFICATION SHEET

DEPARTMENT: Education

TITLE: A BILL FOR AN ACT RELATING TO OPTIONS FOR STUDENTS IN DEPARTMENT OF EDUCATION SCHOOLS.

PURPOSE: Broadens the scope of profit-making operations students may engage in at schools to include commercial enterprises, while ensuring that engagement in commercial enterprises shall be related to the primary educational purposes of the school, career pathway, academy, or program as set forth in chapter 302A, Hawaii Revised Statutes (HRS). Allows students to receive school credit, compensation, or both, when they engage in profit-making operations.

MEANS: Amends section 302A-420, HRS.

JUSTIFICATION: The measure adds "commercial enterprise" to the types of activities students may engage in for profit. This provides consistency with the implementation of section 302A-448, HRS.

The measure clarifies that profits from agricultural, industrial, and commercial enterprise pursuits can be used to support the agricultural, industrial, and commercial enterprise programs directly.

This measure will enhance the rigor and relevance of work-based learning throughout the pre-school through higher education continuum. Students will engage in comprehensive, real-world immersive experiences, particularly in the areas of entrepreneurship and strategic commercial enterprise.

Impact on the public: None.

Impact on the department and other agencies:  
This measure provides additional options for students to receive relevant, real-world experience.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM  
DESIGNATION: EDN 100

OTHER AFFECTED  
AGENCIES: Department of Budget and Finance

EFFECTIVE DATE: Upon approval.