
A BILL FOR AN ACT

RELATING TO COMMERCIAL ENTERPRISES IN SCHOOLS.

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

1 SECTION 1. The purpose of this Act is to allow for greater
2 implementation of commercial enterprises in schools by (1)
3 deeming student interns to be employees of the state and (2)
4 allowing the department of education to use revenue from school
5 commercial enterprises.

6 SECTION 2. Section 302A-448, Hawaii Revised Statutes, is
7 amended to read as follows:

8 " ~~[+] §302A-448 [.]~~ Schools; career pathways, academies, and
9 programs; commercial enterprises. (a) Notwithstanding any law
10 to the contrary, an individual department school or any career
11 pathway, academy, or program operated within a school may engage
12 in commercial enterprises that are related to the primary
13 educational purposes of the school, career pathway, academy, or
14 program as set forth in this chapter, including the sale of
15 goods produced by or for an individual school, career pathway,
16 academy, or program.

1 (b) Student interns engaging in commercial enterprises
2 shall be considered "employees of the State" pursuant to chapter
3 662.

4 (c) Revenues accrued and expenditures made by the
5 department for the operation of commercial enterprises,
6 including but not limited to hiring personnel, renovating
7 commercial space, and purchasing merchandise, supplies, and
8 equipment, shall be accrued and made without regard to chapters
9 76, 78, 89, 103, and 103D. Net profits generated pursuant to
10 sections 302A-448 and 302A-1903, may be used by the department.

11 ~~[(b)]~~ (d) The department may adopt rules pursuant to
12 chapter 91 to carry out the purposes of this section."

13 SECTION 3. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

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

16
17 INTRODUCED BY: 

18 BY REQUEST

JAN 24 2022

Report Title:

Department of Education; Commercial Enterprises; Student Interns; Revenue and Expenditures

Description:

Deems student interns engaging in commercial enterprises to be employees of the State of Hawaii; allows the Department of Education to use revenue from commercial enterprises.

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 COMMERCIAL ENTERPRISES IN SCHOOLS

PURPOSE: To deem student interns engaging in commercial enterprises to be employees of the State of Hawaii; provide increased flexibility for programs that train students; allow the Department of Education (Department) to use revenue from school commercial enterprises.

MEANS: Amends section 302A-448, Hawaii Revised Statutes (HRS).

JUSTIFICATION: This measure addresses the liability issue that a business could face when employing a student intern through the commercial enterprise program. It would provide some degree of protection for businesses in situations where a student intern is injured or causes an injury while working for a business as part of the commercial enterprises program, and would thus help to further facilitate business participation in the commercial enterprise program.

Additionally, while section 302A-448, HRS, allows for schools to create commercial enterprises, schools are finding it difficult to move forward with commercial enterprises due to a mix of regulatory hurdles and funding shortfalls. This measure addresses these issues by allowing revenue generated from school commercial enterprises to be reinvested by the Department and allowing for exemptions from other regulatory practices.

If partnerships can be facilitated via the increased flexibility provided by this

measure and the increased protections for business partners, the rigor and relevance of work-based learning throughout the pre-school through higher education continuum will be strengthened as students engage in comprehensive, real-world immersive experiences.

Impact on the public: Provide increased internship opportunities that benefit students and industry.

Impact on the department and other agencies: If the Department can successfully implement training partnerships, other agencies could use this measure's framework to realize similar workforce development outcomes.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: EDN 100

OTHER AFFECTED
AGENCIES: Department of Human Resources Development,
Department of Labor and Industrial
Relations, University of Hawaii.

EFFECTIVE DATE: Upon approval.