



STATE OF HAWAII  
DEPARTMENT OF EDUCATION  
P.O. BOX 2360  
HONOLULU, HAWAII 96804

**Date:** 02/03/2022

**Time:** 02:00 PM

**Location:** 309 Via Videoconference

**Committee:** House Education

**Department:** Education

**Person Testifying:** Interim Superintendent Keith Hayashi  
Hawaii State Department of Education

**Title of Bill:** HB 2123 RELATING TO OPTIONS FOR STUDENTS IN  
DEPARTMENT OF EDUCATION SCHOOLS.

**Purpose of Bill:** 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.

**Department's Position:**

The Department of Education (Department) supports HB 2123 and appreciates the support for this bill as it is part of the Governor's 2022 Legislative Package.

The Department supports opportunities for students to participate in commercial enterprises in their schools. Commercial enterprises provide students with the hands-on and real-world experiences that are critical to post-secondary or workforce success. The generated revenues support various programs within schools and ensure the sustainability of commercial enterprise efforts.

HB 2123 will allow students to earn credit and/or compensation when engaging in profit-making commercial enterprises in school, which will encourage schools to design commercial enterprise opportunities for its students to gain valuable real-world experiences.

Thank you for the opportunity to provide testimony in support of HB 2123.



**HB-2123**

Submitted on: 2/2/2022 2:08:39 PM

Testimony for EDN on 2/3/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Susan Pcola_Davis	Individual	Oppose	Yes

Comments:

Oppose

I can see where there is an opportunity to use all the profits by the department. This is at the discretion of the INTERIM SUPERINTENDENT!

Student involved in commercial enterprise also deserve the fruits of their labor. This is not guaranteed by this bill. If the department doesn't budget for **support agricultural, industrial, and commercial enterprise pursuit programs and for the purchase of equipment and [material,] materials, then the profits will be used as determined by the department. [i.e.not otherwise provided for in the school budget]. So it is easy not to include it in the budget and use the profits as they come in.**

**"§302A-420 Profits [to pupils.] and school credit for students.** All net profits arising from agricultural [~~and~~], industrial, or commercial enterprise pursuits [~~under sections 302A-420 to 302A-431~~] at any school, provided that the commercial enterprise does not affect the tax exempt status of general obligation bonds, under the rules of the department:

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

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