

Report Title:

Education; Charter Schools

Description:

Omnibus charter schools bill. Adopts many of the priority proposals developed by the Task Force on Charter School Governance that was established by Act 87, Session Laws of Hawaii 2005. (HB2962 HD2)



A BILL FOR AN ACT

RELATING TO EDUCATION.

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

1 PART I

2 SECTION 1. The purpose of this Act is to improve Hawaii's
3 charter school system by adopting many of the priority proposals
4 developed by the task force on charter school governance
5 established by Act 87, Session Laws of Hawaii 2005, including:

6 (1) Providing consistency and clarity for statutes
7 relating to the administration and governance of
8 charter schools by recodifying and reorganizing the
9 statutes into a new chapter;

10 (2) Renaming new century charter schools and new century
11 conversion charter schools as "charter schools" and
12 "conversion charter schools", respectively;

13 (3) Clarifying that conversion charter schools fall under
14 the category of "charter schools" but distinguishing
15 between the procedures for establishing charter
16 schools and conversion charter schools by creating
17 separate sections for each;



- 1 (4) Providing that conversion charter schools may be a new
2 school consisting of programs or sections of existing
3 public school populations that are part of a separate
4 Hawaiian language immersion program and using existing
5 public school facilities;
- 6 (5) Renaming the charter school review panel as the
7 charter school authorization panel, expanding its
8 membership, and assigning it the role of charter
9 school authorizer;
- 10 (6) Setting minimum and maximum limits on the amount a
11 nonprofit organization can contribute annually per
12 pupil, toward the operation of a conversion charter
13 school;
- 14 (7) Clarifying and enhancing the powers and duties of the
15 charter school administrative office and its executive
16 director;
- 17 (8) Empowering the local school boards of the charter
18 schools to negotiate memorandum of agreements of
19 supplemental collective bargaining agreements with the
20 exclusive representatives of their employees;
- 21 (9) Allowing civil service employees of a conversion
22 charter school to retain their civil service status in



1 the department of education human resources civil
2 service system; and

3 (10) Amending other parts of the Hawaii Revised Statutes to
4 maintain consistency with the provisions of the new
5 chapter relating to charter schools.

6 SECTION 2. The Hawaii Revised Statutes is amended by
7 adding a new chapter to read as follows:

8 **"CHAPTER 302B**

9 **CHARTER SCHOOLS**

10 **§302B-1 Purpose.** The purpose of this chapter is to
11 authorize the establishment of a charter school system and set
12 forth standards for the governance, administration, support,
13 financing, autonomy, and accountability for charter schools,
14 including new charter schools and conversion charter schools.

15 The charter school system is an important complement to the
16 department of education's school system, one that empowers local
17 school boards and their charter schools by allowing more
18 autonomy and flexibility and placing greater responsibility at
19 the school level. The charter school system is made up of the
20 board of education, charter school administrative office,
21 charter school authorization panel, and individual charter



1 schools with differing visions, missions, and approaches meeting
2 the various needs and desires of Hawaii's communities.

3 The purposes of the charter school system include but are
4 not limited to:

- 5 (1) Providing public school administrators, parents,
6 students, and teachers with expanded choices in types
7 of schools, educational programs, educational
8 opportunities, services for underserved populations,
9 and in settings, geographical areas, and communities;
10 and
- 11 (2) Encouraging and, when resources and support are
12 provided, serving as a research venue for the
13 development, use, and dissemination of alternative and
14 innovative approaches to educational governance,
15 financing, administration, curricula, technology, and
16 teaching strategies.

17 **§302B-2 Definitions.** Whenever used in this chapter,
18 unless the context otherwise requires:

19 "Charter school" refers to those public schools holding
20 charters to operate as charter schools, including conversion
21 charter schools, and that have the flexibility to implement
22 alternative frameworks with regard to curriculum, facilities



1 management, instructional approach, length of the school day,
2 week, or year, and personnel management.

3 "Conversion charter school" means:

4 (1) Any existing department school that converts to a
5 charter school and is managed and operated in
6 accordance with section 302B-6;

7 (2) Any existing department school that converts to a
8 charter school and is managed and operated by a
9 nonprofit organization in accordance with section
10 302B-6; or

11 (3) A newly created school, consisting of programs or
12 sections of existing public school populations that
13 are part of a separate Hawaiian language immersion
14 program and using existing public school facilities.

15 "Department" means the department of education.

16 "Detailed implementation plan" means a performance contract
17 between the panel and the charter school in which the rights,
18 duties, responsibilities, collective bargaining role, support,
19 resources, and expectations of the panel, other state agencies,
20 and the charter school are identified.

21 "Executive director" means the executive director of the
22 charter school administrative office.



1 "Local school board" means the autonomous governing body of
2 a charter school that receives the charter and is responsible
3 for the financial and academic viability of the charter school,
4 implementation of the charter, the organization and management
5 of the school, the curriculum, and compliance with applicable
6 federal and state laws. The local school board shall have the
7 power to negotiate supplemental or second-tier collective
8 bargaining agreements with exclusive representatives of their
9 employees.

10 "Nonprofit organization" means a private, nonprofit, tax-
11 exempt entity that:

- 12 (1) Is recognized as a tax-exempt organization under
13 Section 501(c)(3) of the Internal Revenue Code of
14 1986, as amended;
- 15 (2) Is domiciled in this state; and
- 16 (3) Makes a minimum annual contribution of \$1 per pupil
17 toward the operation of a conversion charter school
18 for every \$4 per pupil allocated by the office for the
19 operation of the conversion charter school.

20 "Office" means the charter school administrative office.

21 "Organizational viability" means that a charter school:



- 1 (1) Has been duly constituted in accordance with its
2 charter;
- 3 (2) Has a local school board established in accordance
4 with law and its charter;
- 5 (3) Employs sufficient faculty and staff to provide the
6 necessary educational program and support services and
7 to operate the facility in accordance with its
8 charter;
- 9 (4) Maintains accurate and comprehensive records regarding
10 students and employees as determined by the office;
- 11 (5) Meets appropriate standards of student achievement;
- 12 (6) Cooperates with panel requirements in conducting its
13 function as charter school authorizer;
- 14 (7) Complies with applicable federal, state, and county
15 laws and requirements;
- 16 (8) In accordance with the office guidelines and
17 procedures, is financially sound and fiscally
18 responsible in its use of public funds, maintains
19 accurate and comprehensive financial records, operates
20 in accordance with generally accepted accounting
21 practices, and maintains a sound financial plan;



1 (9) Operates within the scope of its charter and fulfills
2 obligations and commitments of its charter;

3 (10) Complies with all health and safety laws and
4 requirements; and

5 (11) Complies with all office directives, policies, and
6 procedures.

7 "Panel" means the charter school authorization panel.

8 **§302B-3 Existing charter schools.** Any charter school
9 holding a charter to operate under part IV, subpart D, of
10 chapter 302A, as that subpart existed before the effective date
11 of this Act shall be considered a charter school for the
12 purposes of this chapter.

13 **§302B-4 Charter school authorization panel; establishment;**
14 **powers and duties.** (a) There is established the charter school
15 authorization panel, which shall be placed within the office for
16 administrative purposes only. The panel shall serve as the
17 charter school authorizer.

18 (b) The panel shall consist of nine members, including not
19 less than:

20 (1) Two licensed teachers regularly engaged in teaching;

21 (2) Two educational officers;



1 (3) One member or former member of a charter school local
2 school board;

3 (4) The chairperson of the board of education or the
4 chairperson's designee;

5 (5) The executive director or the executive director's
6 designee;

7 (6) A representative of independent schools; and

8 (7) The dean of the University of Hawaii college of
9 education or the dean's designee.

10 (c) Except for the chairperson of the board of education,
11 the executive director, and the dean of the college of
12 education, the governor shall appoint the members of the panel
13 pursuant to section 26-34, from a list of qualified nominees
14 submitted to the governor by the charter schools, agencies, and
15 organizations representative of the constituencies of the panel.
16 To the extent possible, the panel membership shall include
17 members from all islands.

18 (d) Appointed panel members shall serve not more than
19 three consecutive three-year terms; provided that the initial
20 terms of the appointed members that commence after June 30,
21 2006, shall be staggered, as follows:

22 (1) Three members to serve three-year terms;



1 (2) Two members to serve two-year terms; and

2 (3) One member to serve a one-year term.

3 (e) Panel members shall receive no compensation. When
4 panel duties require that a panel member take leave of the panel
5 member's duties as a state employee, the appropriate state
6 department shall allow the panel member to be placed on
7 administrative leave with pay and shall provide substitutes,
8 when necessary, to perform that panel member's duties. Panel
9 members shall be reimbursed for necessary travel expenses
10 incurred in the conduct of official panel business.

11 (f) The panel shall establish operating rules which shall
12 include conflict of interest provisions for members whose school
13 of employment or local school board membership are before the
14 panel.

15 (g) The chairperson of the panel shall be designated by
16 the members of the panel.

17 (h) The powers and duties of the panel shall be to:

18 (1) Review applications for new charter schools;

19 (2) Issue new charters and renew charters;

20 (3) Ensure that charters, detailed implementation plans,
21 and performance contracts are designed to maximize



- 1 school financial and academic success and long term
2 organizational viability;
- 3 (4) Adopt reporting requirements for charter schools;
- 4 (5) Periodically review existing charter school
5 operations, and approve significant amendments to the
6 charter;
- 7 (6) Respond to annual self-evaluation reports from charter
8 schools;
- 9 (7) Provide an annual report to the board of education,
10 the legislature, and the charter schools no later than
11 March 1 of each year;
- 12 (8) Adopt operating procedures and administrative rules,
13 policies, and guidelines;
- 14 (9) Develop procedures for the closing of a charter school
15 and the transfer of appropriate assets to the State;
- 16 (10) Assist and support charter schools;
- 17 (11) Facilitate needed training; and
- 18 (12) If necessary, revoke a charter.
- 19 (i) The office shall provide for the staff support and
20 expenses of the panel.
- 21 (j) The panel may adopt administrative rules in accordance
22 with chapter 91 to implement this chapter.



1 (k) The panel shall be exempt from chapter 92, but shall
2 adopt policies to facilitate transparency, openness, public
3 decision making, and participation, including the timely posting
4 of agendas and documents for action on the Internet at least one
5 week before meetings, notification of interested parties, and
6 timely posting of minutes.

7 **§302B-5 Charter schools; establishment.** (a) New charter
8 schools, except for conversion charter schools, may be
9 established pursuant to this section. Up to a total of twenty-
10 three schools may be established as charter schools.

11 (b) Any community, group of teachers, group of teachers
12 and administrators, or entity recognized as a nonprofit
13 organization may submit a letter of intent to the panel to form
14 a charter school, establish a local school board as its
15 governing body, and develop a detailed implementation plan
16 pursuant to subsection (c).

17 (c) The local school board, with the support and guidance
18 of the executive director, shall formulate and develop a
19 detailed implementation plan that meets the requirements of this
20 subsection and section 302B-10. The plan shall include the
21 following:



- 1 (1) A description of employee rights and management issues
2 and a framework for addressing those issues that
3 protects the rights of employees;
- 4 (2) A plan for identifying, recruiting, and retaining
5 highly-qualified instructional faculty;
- 6 (3) A plan for identifying, recruiting, and selecting
7 students that is not exclusive, elitist, or
8 segregationist;
- 9 (4) The curriculum and instructional framework to be used
10 to achieve student outcomes, including an assessment
11 plan;
- 12 (5) A comprehensive plan for the assessment of student,
13 administrative support, and teaching personnel
14 performance that:
- 15 (A) Recognizes the interests of the general public;
- 16 (B) Incorporates or exceeds the educational content
17 and performance standards developed by the
18 department for the public school system;
- 19 (C) Includes a system of faculty and staff
20 accountability that holds faculty and staff both
21 individually and collectively accountable for
22 their performance, and that is at least



- 1 equivalent to the average system of
2 accountability in public schools throughout the
3 state; and
- 4 (D) Provides for program audits and annual financial
5 audits;
- 6 (6) A governance structure for the charter school that
7 incorporates a conflict of interest policy and a plan
8 for periodic training of local school board members;
- 9 (7) A financial plan based on the most recent fiscal
10 year's per-pupil charter school allocation that
11 demonstrates the ability to meet the financial
12 obligations of one-time, start-up costs and ongoing
13 costs such as monthly payrolls, faculty recruitment,
14 professional development, and facilities costs; and
- 15 (8) A plan for any necessary design, construction,
16 renovation, and management of facilities that is
17 consistent with the state facilities plan; provided
18 that:
- 19 (A) If the facilities management plan includes use of
20 existing school facilities, the charter school
21 shall receive authorization from the
22 administrator responsible for the facilities; and



1 (B) The final determination of use shall fall within
2 the board of education's discretion.

3 (d) The detailed implementation plan shall be submitted to
4 the panel. The panel shall have sixty working days to review
5 the completed implementation plan for a proposed charter school
6 to ensure that it meets the requirements of subsection (c) and
7 section 302B-10. Within forty-five working days, the panel
8 shall issue a report of its preliminary findings to the board of
9 education and the local school board.

10 If the panel determines that the implementation plan:

11 (1) Meets the requirements of subsection (c) and section
12 302B-10, the panel, by the sixtieth working day, may
13 issue a charter to the proposed charter school. The
14 implementation plan shall be converted to a written
15 performance contract between the school and the panel;
16 provided that if the panel does not issue a charter,
17 the panel shall:

18 (A) Clearly identify its reasons for not issuing the
19 charter; and

20 (B) Allow the local school board to revise its plan,
21 in accordance with the panel's reasons for



1 rejecting the plan, and resubmit the amended
2 plan;

3 or

4 (2) Fails to meet the requirements of subsection (c) and
5 section 302B-10, the panel:

6 (A) Shall notify the local school board of the
7 finding in writing to enable the local school
8 board to appropriately amend the plan to address
9 the findings; and

10 (B) May issue a provisional approval for a charter if
11 the panel determines that the applicant may
12 reasonably be expected to expeditiously resolve
13 any remaining findings impeding the issuance of a
14 charter. The provisional approval shall be
15 effective for one year. The panel may extend the
16 provisional approval beyond a period of one year.

17 (e) An amended implementation plan shall be submitted
18 within thirty working days of notification pursuant to
19 subsection (d)(2)(A). The panel shall deny the issuance of a
20 charter if the local school board does not submit an amended
21 implementation plan within the thirty working day period. The



1 panel shall have thirty working days to review the amended
2 implementation plan. If the amended implementation plan:

3 (1) Meets the requirements of subsection (c) and section
4 302B-10, the panel, by the thirtieth working day,
5 shall issue a charter to the proposed charter school.

6 If a charter is issued, the amended implementation
7 plan shall be converted to a written performance
8 contract between the school and the panel; or

9 (2) Fails to address the findings to the panel's
10 satisfaction, the panel shall deny issuance of a
11 charter.

12 (f) A local school board may file an appeal of the denial
13 of an application for a charter with the board of education.

14 Upon filing an appeal, the panel shall forward the
15 implementation plan and appropriate documentation of the appeal
16 to the board of education. Within thirty working days, the
17 board of education shall issue a report of its findings and
18 final determination to the local school board. If the
19 implementation plan is approved by the board of education, the
20 panel shall issue a charter and the implementation plan shall be
21 converted to a written performance contract between the school
22 and the panel.



1 **§302B-6 Conversion charter schools; establishment.** (a)

2 Conversion charter schools may be established by the panel
3 pursuant to this section.

4 (b) Any group of teachers, group of teachers and
5 administrators, or entity recognized as a nonprofit organization
6 may submit a letter of intent to the panel to convert a
7 department school to a conversion charter school, establish a
8 local school board as its governing body, and develop a detailed
9 implementation plan pursuant to subsection (c).

10 (c) The local school board, with the support and guidance
11 of the executive director, shall formulate and develop a
12 detailed implementation plan that meets the requirements of this
13 subsection and section 302B-10. The plan shall include:

14 (1) A description of employee rights and management issues
15 and a framework for addressing those issues that
16 protects the rights of employees;

17 (2) A plan for identifying, recruiting, and retaining
18 highly-qualified instructional faculty;

19 (3) A plan for identifying, recruiting, and selecting
20 students that is not exclusive, elitist, or
21 segregationist;



- 1 (4) The curriculum and instructional framework to be used
2 to achieve student outcomes, including an assessment
3 plan;
- 4 (5) A comprehensive plan for the assessment of student,
5 administrative support, and teaching personnel
6 performance that:
- 7 (A) Recognizes the interests of the general public;
- 8 (B) Incorporates or exceeds the educational content
9 and performance standards developed by the
10 department for the public school system;
- 11 (C) Includes a system of faculty and staff
12 accountability that holds faculty and staff both
13 individually and collectively accountable for
14 their performance, and that is at least
15 equivalent to the average system of
16 accountability in public schools throughout the
17 state; and
- 18 (D) Provides for program audits and annual financial
19 audits;
- 20 (6) A governance structure for the conversion charter
21 school that incorporates a conflict of interest policy



1 and a plan for periodic training of local school board
2 members;

3 (7) A financial plan based on the most recent fiscal
4 year's per-pupil conversion charter school allocation
5 that demonstrates the ability to meet the financial
6 obligations of one-time, start-up costs and ongoing
7 costs such as monthly payrolls, faculty recruitment,
8 professional development, and facilities costs; and

9 (8) A plan for any necessary design, construction,
10 renovation, and management of facilities that is
11 consistent with the state facilities plan; provided
12 that:

13 (A) If the facilities management plan includes use of
14 existing school facilities, the conversion
15 charter school shall receive authorization from
16 the administrator responsible for the facilities;
17 and

18 (B) The final determination of use shall fall within
19 the board of education's discretion.

20 (d) The detailed implementation plan shall be submitted to
21 the panel. The panel shall have sixty working days to review
22 the completed implementation plan for a proposed conversion



1 charter school to ensure that it meets the requirements of
2 subsection (c) and section 302B-10. Within forty-five working
3 days, the panel shall issue a report of its preliminary findings
4 to the board of education and the local school board.

5 If the panel determines that the implementation plan:

6 (1) Meets the requirements of subsection (c) and section
7 302B-10, the panel, by the sixtieth working day, may
8 issue a charter to the proposed conversion charter
9 school. The implementation plan shall be converted to
10 a written performance contract between the school and
11 the panel; provided that if the panel does not issue a
12 charter, the panel shall:

13 (A) Clearly identify its reasons for not issuing the
14 charter; and

15 (B) Allow the local school board to revise its plan,
16 in accordance with the panel's reasons for
17 rejecting the plan, and resubmit the amended
18 plan;

19 or

20 (2) Fails to meet the requirements of subsection (c) and
21 section 302B-10, the panel:



1 (A) Shall notify the local school board of the
2 finding in writing to enable the local school
3 board to appropriately amend the plan to address
4 the findings; and

5 (B) May issue a provisional approval for a charter if
6 the panel determines that the applicant may
7 reasonably be expected to expeditiously resolve
8 any remaining findings impeding the issuance of a
9 charter. The provisional approval shall be
10 effective for one year. The panel may extend the
11 provisional approval beyond a period of one year.

12 (e) An amended implementation plan shall be submitted
13 within thirty working days of notification pursuant to
14 subsection (d)(2)(A). The panel shall deny the issuance of a
15 charter if the local school board does not submit an amended
16 implementation plan within the thirty working day period. The
17 panel shall have thirty working days to review the amended
18 implementation plan. If the amended implementation plan:

19 (1) Meets the requirements of subsection (c) and section
20 302B-10, the panel, by the thirtieth working day,
21 shall issue a charter to the proposed conversion
22 charter school. If a charter is issued, the amended



1 implementation plan shall be converted to a written
2 performance contract between the school and the panel;
3 or

4 (2) Fails to address the findings to the panel's
5 satisfaction, the panel shall deny issuance of a
6 charter.

7 (f) A local school board may file an appeal of the denial
8 of an application for a charter with the board of education.
9 Upon filing an appeal, the panel shall forward the
10 implementation plan and appropriate documentation of the appeal
11 to the board of education. Within thirty working days, the
12 board of education shall issue a report of its findings and
13 final determination to the local school board. If the
14 implementation plan is approved by the board of education, the
15 panel shall issue a charter and the implementation plan shall be
16 converted to a written performance contract between the school
17 and the panel.

18 (g) A nonprofit organization may submit a letter of intent
19 to the office to convert a department school to a conversion
20 charter school, operate and manage the school, establish a local
21 school board as its governing body, and develop a detailed
22 implementation plan pursuant to subsection (c); provided that:



- 1 (1) The local school board as the governing body of the
2 conversion charter school shall be composed of the
3 board of directors of the nonprofit organization and
4 not the participants specified in section 302B-7. The
5 nonprofit organization may also appoint advisory
6 groups of community representatives for each school
7 managed by the organization, with whom the groups
8 shall not have governing authority over the school and
9 shall serve only in an advisory capacity to the
10 nonprofit organization;
- 11 (2) The detailed implementation plan for each conversion
12 charter school to be operated by the nonprofit
13 organization shall be formulated, developed, and
14 submitted by the nonprofit organization, and shall be
15 approved by a majority of the votes cast by existing
16 administrative, support, and teaching personnel, and
17 parents of the students of the proposed conversion
18 charter school; provided that the school personnel may
19 request their collective bargaining unit
20 representative to certify and conduct the elections
21 for their respective bargaining units;



- 1 (3) After the detailed implementation plan for a
2 conversion charter school operated and managed by the
3 nonprofit organization has been approved by the panel
4 as provided in subsection (d) or (e), the panel shall
5 issue a charter, and the implementation plan shall be
6 converted to a written performance contract between
7 the nonprofit organization and the panel, under which
8 the conversion charter school shall be managed and
9 operated as a division of the nonprofit organization
10 and shall have the same relationship with the office
11 as any other local school board for a charter school;
- 12 (4) The board of directors of the nonprofit organization,
13 as the governing body for the conversion charter
14 school that it operates and manages, shall have the
15 same protections that are afforded to the board of
16 education;
- 17 (5) Any conversion charter school that is managed and
18 operated by a nonprofit organization shall be eligible
19 for the same federal and state funding as other public
20 schools; provided that the nonprofit organization
21 makes a minimum annual contribution of \$1 per pupil
22 toward the operation of a conversion charter school



1 for every \$4 per pupil allocated by the office for the
2 operation of the conversion charter school; provided
3 further that the maximum annual contribution from the
4 nonprofit organization may but shall not be required
5 to exceed \$1,500 per pupil per year; provided further
6 that the nonprofit organization may allocate federal
7 and state funds among two or more of the conversion
8 charter schools that it operates and manages to the
9 extent permitted by law;

10 (6) If, at any time, the board of directors of the
11 nonprofit organization governing the conversion
12 charter school votes to discontinue its relationship
13 with the charter school, the charter school may submit
14 an application to the panel to continue as a
15 conversion school without the participation of the
16 nonprofit organization; and

17 (7) If, at any time, the conversion charter school
18 dissolves or the charter is revoked, the State shall
19 have first right, at no cost to the State, to all the
20 assets and facilities of the conversion charter
21 school, except as provided in the detailed
22 implementation plan.



1 (h) Any nonprofit organization that seeks to manage or
2 operate a conversion charter school as provided in subsection
3 (g) shall comply with the following at the time of application:

4 (1) Have bylaws or policies that describe the manner in
5 which business is conducted and policies that relate
6 to the management of potential conflict of interest
7 situations;

8 (2) Have experience in the management and operation of
9 public or private schools, or, to the extent
10 necessary, agree to obtain appropriate services from
11 another entity or entities possessing such experience;

12 (3) Comply with all applicable federal, state, and county
13 laws, including licensure or accreditation, as
14 applicable; and

15 (4) Comply with any other requirements prescribed by the
16 department to ensure adherence with applicable
17 federal, state, and county laws and the purposes of
18 this chapter.

19 (i) Any public school or schools, programs, or sections of
20 existing public school populations that are part of a separate
21 Hawaiian language immersion program and using existing public
22 school facilities may submit a letter of intent to the panel to



1 form a conversion charter school, establish a local school board
2 as its governing body, and develop a detailed implementation
3 plan pursuant to subsection (c). The detailed implementation
4 plan shall be approved by a majority of the votes cast by
5 existing administrative, support, and teaching personnel, and
6 parents of students at the proposed conversion charter school;
7 provided that the school personnel may request their collective
8 bargaining unit representative to certify and conduct the
9 elections for their respective bargaining units.

10 (j) Unless otherwise provided in this section, the
11 provisions in this chapter, as they relate to charter schools,
12 shall apply to conversion charter schools. In the event of a
13 conflict between the provisions in this section and other
14 provisions in this chapter, this section shall control.

15 **§302B-7 Charter school local school boards; powers and**
16 **duties.** (a) All charter school local school boards, with the
17 exception of those of conversion charter schools pursuant to
18 section 302B-6(g), shall be composed of, at a minimum, one
19 representative from each of the following participant groups:

- 20 (1) Principals;
- 21 (2) Instructional staff members selected by the school
22 instructional staff;



- 1 (3) Support staff selected by the support staff of the
2 school;
- 3 (4) Parents of students attending the school selected by
4 the parents of the school;
- 5 (5) Student body representatives selected by the students
6 of the school; and
- 7 (6) The community at large.

8 (b) No chief executive officer, chief administrative
9 officer, executive director, or otherwise designated head of a
10 school may serve as the chairperson of the local school board.

11 (c) The local school board shall be the autonomous
12 governing body of a charter school that receives the charter and
13 shall be responsible for the financial and academic viability of
14 the charter school, implementation of the charter, the
15 organization and management of the school, the curriculum, and
16 compliance with applicable federal and state laws. The local
17 school board shall have the power to negotiate supplemental or
18 second-tier collective bargaining agreements with exclusive
19 representatives of their employees.

20 (d) The State shall afford the local school board of any
21 charter school the same protections as the State affords to the
22 board of education.



1 **§302B-8 Charter school administrative office.** (a) There
2 is established a charter school administrative office, which
3 shall be attached to the department for administrative purposes
4 only. The office shall be administered by an executive
5 director, who shall be appointed without regard to chapters 76
6 and 89 by the board of education based upon the recommendations
7 of an organization of charter schools operating within the state
8 or from a list of nominees submitted by the charter schools.
9 The board of education may hire the executive director on a
10 multi-year contract. The executive director may hire necessary
11 staff without regard to chapters 76 and 89 to assist in the
12 administration of the office.

13 (b) The executive director, under the direction of the
14 board of education and charter schools, shall be responsible for
15 the internal organization, operation, and management of the
16 charter school system, including:

17 (1) Preparation and execution of the budget for the
18 charter schools, including submission of the budget
19 request to the board of education, the governor, and
20 the legislature;



- 1 (2) Allocation of annual appropriations to the charter
2 schools and distribution of federal funds to charter
3 schools;
- 4 (3) Compliance with applicable state laws related to the
5 administration of the charter schools;
- 6 (4) Preparation of contracts between the charter schools
7 and the department for centralized services to be
8 provided by the department;
- 9 (5) Preparation of contracts between the charter schools
10 and other state agencies for financial or personnel
11 services to be provided by such agencies to the
12 charter schools;
- 13 (6) Representation of charter schools in communications
14 with the board of education, the governor, and the
15 legislature;
- 16 (7) Supporting the development, growth, and progress of
17 charter schools;
- 18 (8) Convening and serving as a member of the panel;
- 19 (9) Establishing a dispute resolution and mediation panel;
20 and
- 21 (10) Upon request by one or more charter schools, assisting
22 in the negotiation of a collective bargaining



1 agreement with the exclusive representative of its
2 employees.

3 (c) The executive director shall be evaluated annually
4 through a process jointly agreed upon by the Hawaii charter
5 schools network and the board of education.

6 (d) The salary of the executive director and staff shall
7 be set by the board of education based upon the recommendations
8 of an organization of charter schools within the state; provided
9 that the salaries and operational expenses of the office shall
10 be paid from the annual charter school appropriation and shall
11 not exceed two per cent of the total allocation in any fiscal
12 year.

13 (e) The office shall include in its annual budget request
14 additional funds to cover the estimated costs of:

- 15 (1) Vacation and sick leave accrued by employees
16 transferring to a charter school from another state
17 agency or department;
- 18 (2) The cost of substitute teachers needed when a teacher
19 is out on vacation or sick leave;
- 20 (3) Adjustments to enrollments; and
- 21 (4) Costs associated with arbitration in the grievance
22 process.



1 (f) The office may withhold funds for unauthorized charter
2 school enrollments that are inconsistent with approved detailed
3 implementation plans.

4 (g) The office may carry over funds from previous year
5 allocations. Funds distributed to charter schools shall be
6 considered expended.

7 **§302B-9 Exemptions from state laws.** (a) Charter schools
8 shall be exempt from chapter 92 and all other state laws in
9 conflict with this chapter, except those regarding:

10 (1) Collective bargaining under chapter 89; provided that:

11 (A) The employees of charter schools shall be
12 assigned to an appropriate bargaining unit as
13 specified in section 89-6; provided further that
14 if a charter school employee's job description
15 contains the duties and responsibilities of an
16 employee that could be assigned to more than one
17 bargaining unit, the duties and responsibilities
18 that are performed by the employee for the
19 majority of the time, based on the employee's
20 average workweek, shall be the basis of
21 bargaining unit assignment for the employee;



- 1 (B) For the purpose of negotiating a collective
2 bargaining agreement for charter schools
3 employees who are assigned to an appropriate
4 bargaining unit, the employer shall be determined
5 as provided in section 89-6(d);
- 6 (C) For the purpose of negotiating a memorandum of
7 agreement or a supplemental agreement that only
8 applies to employees of a charter school, the
9 employer shall mean the local school board,
10 subject to the conditions and requirements
11 contained in the applicable sections of this
12 chapter governing any memorandum of agreement or
13 supplemental agreement;
- 14 (D) Pursuant to chapter 89, the exclusive
15 representative shall mean the employee
16 organization certified by the Hawaii labor
17 relations board as the collective bargaining
18 agent to represent all employees in an
19 appropriate bargaining unit without
20 discrimination and without regard to employee
21 organization membership; and



1 (E) Negotiations over matters covered by this section
2 shall be conducted between the employer and
3 exclusive representative pursuant to this
4 chapter. Cost items that are appropriated for
5 and approved by the legislature and contained in
6 a collective bargaining agreement, memorandum of
7 agreement, or supplemental agreement covering,
8 wholly or partially, employees in charter schools
9 shall be allocated by the department of budget
10 and finance to the office for distribution to
11 charter schools. However, if the office deems it
12 appropriate, the cost items may be funded from a
13 charter school's existing allocation or other
14 sources of revenue received by a charter school;

15 (2) Discriminatory practices under section 378-2; and

16 (3) Health and safety requirements.

17 (b) Charter schools and the office shall be exempt from
18 county zoning ordinances.

19 (c) Charter schools and the office shall be exempt from
20 chapter 103D, but shall develop internal policies and procedures
21 for the procurement of goods, services, and construction,
22 consistent with the goals of public accountability and public



1 procurement practices. Charter schools are encouraged to use
2 the provisions of chapter 103D where possible; provided that the
3 use of one or more provisions of chapter 103D shall not
4 constitute a waiver of the exemption from chapter 103D and shall
5 not subject the charter school to any other provision of chapter
6 103D. Charter schools shall account for funds expended for the
7 procurement of goods and services, and this accounting shall be
8 available to the public.

9 (d) Any charter school, prior to the beginning of the
10 school year, may enter into an annual contract with any
11 department for centralized services to be provided by the
12 department.

13 (e) Notwithstanding any law to the contrary, as public
14 schools and entities of the State, charter schools shall not
15 bring suit against any other entity or agency of the State.

16 **§302B-10 Civil service status; employee rights.** (a)
17 Civil service employees of department schools shall retain their
18 civil service status upon the conversion of their school to a
19 conversion charter school. Positions in a conversion charter
20 school that would be civil service in a department public
21 school, shall be civil service positions and subject to chapter
22 76. An employee with civil service status at a conversion



1 charter school who transfers to another civil service position
2 shall be entitled to all of the rights, privileges, and benefits
3 of continuous, uninterrupted civil service. Civil service
4 employees of a conversion charter school shall retain their
5 civil service status in the department human resources civil
6 service system and shall be entitled to all rights and benefits
7 as other civil service employees employed by the department.
8 Exempt civil service employees as provided in section 76-16(b)
9 of a conversion charter school shall retain their status in the
10 department human resources system for support services personnel
11 and shall be entitled to all rights and benefits as other exempt
12 civil service employees employed by the department.

13 (b) The State shall afford administrative, support, and
14 instructional employees in charter schools full participation in
15 the State's systems for retirement, workers' compensation,
16 unemployment insurance, temporary disability insurance, and
17 health benefits in accordance with the qualification
18 requirements for each.

19 (c) The department, to the extent possible, shall provide
20 its position listings to the office and any interested local
21 school board of any charter school.



1 (d) The department, in conjunction with the office, shall
2 facilitate and encourage the movement of instructional personnel
3 between the department and charter schools; provided that:

4 (1) Comparable and verifiable professional development and
5 employee evaluation standards and practices, as
6 determined and certified by the office, are in place
7 in charter schools for instructional staff;

8 (2) Licensed charter school teachers or highly qualified
9 individuals, as determined by the department, who are
10 not yet tenured in the department and are entering or
11 returning to the department after full-time employment
12 of no less than one full school year at a charter
13 school, shall be subject to no more than one year of
14 probationary status; and

15 (3) Tenured department licensed teachers or highly
16 qualified individuals, as determined by the
17 department, who transfer to charter schools shall not
18 be required to serve a probationary period.

19 **§302B-11 Administration of workers' compensation.** The
20 department of human resources development shall administer
21 workers' compensation claims for employees of charter schools,
22 who shall be covered by the same self-insured workers'



1 compensation system as other public employees. The department
2 of human resources development shall process, investigate, and
3 make payments on claims; provided that:

4 (1) Charter schools shall compile the preliminary claim
5 form and forward it to the department of human
6 resources development; and

7 (2) The department of human resources development shall
8 receive no more than 0.07 per cent of the EDN 600
9 appropriation to process these workers' compensation
10 claims.

11 **§302B-12 Funding and finance.** (a) Beginning with fiscal
12 year 2006-2007, and each fiscal year thereafter, the office
13 shall submit a request for general fund appropriations for each
14 charter school based upon:

15 (1) The actual and projected enrollment figures in the
16 current school year for each charter school;

17 (2) A per-pupil amount for each regular education and
18 special education student, which shall be equivalent
19 to the total per-pupil cost based upon average
20 enrollment in all cost categories, including
21 comprehensive school support services but excluding
22 special education services, and for all means of



1 financing except federal funds, as reported in the
2 most recently published department consolidated annual
3 financial report; provided that the legislature may
4 make an adjustment to the per-pupil allocation for the
5 purposes of this section; and

6 (3) Those fringe benefit costs requested shall be included
7 in the department of budget and finance's annual
8 budget request. No fringe benefit costs shall be
9 charged directly to or deducted from the charter
10 school per-pupil allocations.

11 The legislature shall make an appropriation based upon the
12 budget request; provided that the legislature may make
13 additional appropriations for fringe, workers' compensation, and
14 other employee benefits, facility costs, and other requested
15 amounts.

16 The governor, pursuant to chapter 37, may impose
17 restrictions or reductions on charter school appropriations
18 similar to those imposed on other public schools.

19 (b) Charter schools shall be eligible for all federal
20 financial support to the same extent as all other public
21 schools. The department shall provide the office with all
22 federal grant proposals that include charter schools as



1 potential recipients and timely reports on federal grants
2 received for which charter schools may apply. Federal funds
3 received by the department for charter schools shall be
4 transferred to the office for distribution to charter schools in
5 accordance with the federal requirements. If administrative
6 services related to federal grants and subsidies are provided to
7 the charter school by the department, the charter school shall
8 reimburse the department for the actual costs of the
9 administrative services in an amount that shall not exceed six
10 and one-half per cent of the charter school's federal grants and
11 subsidies.

12 Any charter school shall be eligible to receive any
13 supplemental federal grant or award for which any other public
14 school may submit a proposal, or any supplemental federal grants
15 limited to charter schools; provided that if department
16 administrative services, including funds management, budgetary,
17 fiscal accounting, or other related services, are provided with
18 respect to these supplemental grants, the charter school shall
19 reimburse the department for the actual costs of the
20 administrative services in an amount that shall not exceed six
21 and one-half per cent of the supplemental grant for which the
22 services are used.



1 All additional funds that are generated by the local school
2 boards, not from a supplemental grant, shall be held separate
3 and apart from allotted funds and may be expended at the
4 discretion of the local school boards.

5 (c) To enable charter schools to access state funding
6 prior to the start of each school year, foster their fiscal
7 planning, and enhance their accountability, the office shall:

8 (1) Provide fifty per cent of a charter school's per-pupil
9 allocation based on the charter school's projected
10 student enrollment no later than July 20 of each
11 fiscal year; provided that the charter school shall
12 submit to the office a projected student enrollment no
13 later than May 15 of each year;

14 (2) Provide an additional forty per cent of a charter
15 school's per-pupil allocation no later than November
16 15 of each year; provided that the charter school
17 shall submit to the office:

18 (A) Student enrollment as verified on October 15 of
19 each year; provided that the student enrollment
20 shall be verified on the last business day
21 immediately prior to October 15 should that date
22 fall on a weekend; and



1 (B) An accounting of the percentage of student
2 enrollment that transferred from public schools
3 established and maintained by the department;
4 provided that these accountings shall also be
5 submitted by the office to the legislature no
6 later than twenty days prior to the start of each
7 regular session;

8 and

9 (3) The remaining ten per cent per-pupil allocation of a
10 charter school no later than January 1 of each year as
11 a contingency balance to ensure fiscal accountability.

12 (d) The department shall provide appropriate transitional
13 resources to a conversion charter school for its first year of
14 operation as a charter school based upon the department's
15 allocation to the school for the year prior to the conversion.

16 (e) No new charter school or conversion charter school may
17 assess tuition.

18 **§302B-13 Weighted student formula.** (a) Notwithstanding
19 section 302B-12 and beginning on September 1, 2006, charter
20 schools shall elect whether to receive allocations according to
21 the department's weighted student formula adopted pursuant to
22 section 302A-1303.6; provided that:



- 1 (1) All charter schools, as a group, with each local
2 school board being accorded one vote, shall elect, by
3 greater than two-thirds agreement among the local
4 school boards, whether to receive allocations through
5 the department's weighted student formula;
- 6 (2) Any election by charter schools to receive department
7 allocations, or not to receive allocations, through
8 the department's weighted student formula shall be
9 made by September 1 of each even-numbered year, and
10 the election shall apply to the fiscal biennium
11 beginning July 1 of the following year; and
- 12 (3) The election to receive allocations, or not to receive
13 allocations, through the department's weighted student
14 formula shall be communicated to the department
15 through the office.
- 16 (b) The charter schools, through the office, may propose
17 to the board of education an alternative weighted student
18 formula, approved of by more than two-thirds of the local school
19 boards, with each local school board being accorded one vote, to
20 be administered by the office and to apply to the per-pupil
21 allocation for charter schools.



1 **§302B-14 Accountability; probationary status; revocation**
2 **of charter.** (a) Every charter school shall conduct annual
3 self-evaluations that shall be submitted to the office within
4 sixty working days after the completion of the school year. The
5 self-evaluation process shall include but not be limited to:

- 6 (1) The identification and adoption of benchmarks to
7 measure and evaluate administrative and instructional
8 programs;
- 9 (2) The identification of any administrative and legal
10 barriers to meeting the adopted benchmarks, and
11 recommendations for improvements and modifications to
12 address the barriers;
- 13 (3) An evaluation of student achievement within the
14 charter school;
- 15 (4) A profile of the charter school's enrollment and the
16 community it serves, including a breakdown of regular
17 education and special education students; and
- 18 (5) An evaluation of the school's organization viability.

19 (b) The panel shall conduct multi-year evaluations of
20 charter schools that have been chartered for four or more years,
21 and may conduct special evaluations at any time. The panel



1 shall adopt rules pursuant to chapter 91 for its evaluations,
2 including a schedule of such evaluations.

3 (c) The panel may place a charter school on probationary
4 status based upon the findings of its evaluation; provided that:

5 (1) The charter school and the office are involved in
6 substantive discussions with the panel regarding the
7 evaluation;

8 (2) The notice of probation is delivered to the charter
9 school and specifies the deficiencies requiring
10 corrections, the probation period, and monitoring and
11 reporting requirements;

12 (3) For deficiencies related to student performance, a
13 charter school shall be allowed two years to improve
14 student performance; and

15 (4) For deficiencies related to financial plans, a charter
16 school shall be allowed one year to develop a sound
17 financial plan.

18 The charter school shall remain on probationary status
19 until the panel votes to either remove the charter school from
20 probationary status or revoke its charter.

21 The panel shall adopt administrative rules pursuant to
22 chapter 91 for placing charter schools on probation.



1 (d) If a charter school fails to resolve deficiencies by
2 the end of the probation period, the panel, by two-thirds vote,
3 may revoke the charter. The panel may revoke the charter for
4 serious student or employee health or safety deficiencies in
5 accordance with rules adopted by the panel; provided that:

6 (1) The charter school is given notice of specific health
7 or safety deficiencies and is afforded an opportunity
8 to present its case to the panel;

9 (2) The chairperson of the panel appoints a task group to
10 visit the charter school and conduct meetings with its
11 local school board and its school community to gather
12 input;

13 (3) Two-thirds of the panel vote to revoke the charter;

14 (4) The best interest of the school's students guide all
15 decisions; and

16 (5) After a decision to revoke a charter, the charter
17 school shall be allowed to remain open until a plan
18 for an orderly shut-down or transfer of students and
19 assets is developed and executed.

20 (e) If there is an immediate concern for student or
21 employee health or safety at a charter school, the panel, in
22 consultation with the office, may adopt an interim restructuring



1 plan that may include appointment of an interim local school
2 board, an interim local school board chairperson, or a principal
3 to temporarily assume operations of the school.

4 (f) The executive director shall adopt administrative
5 rules to supplement accountability measures incorporated in the
6 written performance contracts required under sections 302B-5 and
7 302B-6.

8 (g) If, at any time, a charter school dissolves or the
9 charter is revoked, the State shall have first right, at no cost
10 to the State, to all the assets and facilities of the charter
11 school, except as otherwise provided by law.

12 **§302B-15 Responsibilities of department of education;**
13 **special education services.** (a) The department shall
14 collaborate with the office to develop a system of technical
15 assistance related to compliance with federal and state laws and
16 access to federal and state funds. The department and the
17 office shall collaborate to develop a list of central services
18 that the department may offer for purchase by a charter school
19 at an annual cost to be negotiated between an individual charter
20 school and the department. The department shall enter into a
21 contract with a charter school to provide these services, which
22 shall be re-negotiated on an annual basis.



1 (b) The department shall be responsible for the provision
2 of a free, appropriate public education. Any charter school
3 that enrolls special education students or identifies one of its
4 students as eligible for special education shall be responsible
5 for providing the educational and related services required by a
6 student's individualized education program. The programs and
7 services for the student shall be determined collaboratively by
8 the student's individualized education program team and the
9 student's parents or legal guardians.

10 If the charter school is unable to provide all of the
11 required services, then services to the student shall be
12 provided by the department in accordance with the student's
13 individualized educational program. The department shall
14 collaborate with the office to develop guidelines related to the
15 provision of special education services and resources to each
16 charter school. The department shall review all of the current
17 individualized education programs of special education students
18 enrolled in a charter school and may offer staff, funding, or
19 both, to the charter school based upon a per-pupil weighted
20 formula implemented by the department and used to allocate
21 resources for special education students in the public schools.



1 **§302B-16 Sports.** The department shall provide students at
2 charter schools with the same opportunity to participate in
3 athletics provided to students at other public schools. If a
4 student at a charter school wishes to participate in a sport for
5 which there is no program at the charter school, the department
6 shall allow that student to participate in a comparable program
7 of any public school in the complex in which the charter school
8 is located."

9 SECTION 3. Chapter 302A, part IV, subpart D, Hawaii
10 Revised Statutes, is repealed.

PART II

12 SECTION 4. The purpose of this part is to make conforming
13 amendments to various sections of the Hawaii Revised Statutes in
14 accordance with the provisions of the new charter school law.

15 SECTION 5. Chapter 89, Hawaii Revised Statutes, is amended
16 by adding a new section to be appropriately designated and to
17 read as follows:

18 "§89- Charter school collective bargaining; bargaining
19 unit; employer; exclusive representative. (a) Employees of
20 charter schools shall be assigned to an appropriate bargaining
21 unit as specified in section 89-6; provided that if a charter
22 school employee's job description contains the duties and



1 responsibilities of an employee that could be assigned to more
2 than one bargaining unit, the duties and responsibilities that
3 are performed by the employee for the majority of the time,
4 based on the employee's average workweek, shall be the basis of
5 bargaining unit assignment for the employee.

6 (b) For the purpose of negotiating a collective bargaining
7 agreement for charter school employees who are assigned to an
8 appropriate bargaining unit, the employer shall be determined as
9 provided in section 89-6(d).

10 (c) For the purpose of negotiating a memorandum of
11 agreement or a supplemental agreement that only applies to
12 employees of a charter school, the employer shall mean the local
13 school board, subject to the conditions and requirements
14 contained in the applicable sections of this chapter governing
15 any memorandum of agreement or supplemental agreement.

16 (d) Pursuant to this chapter, the exclusive representative
17 shall mean the employee organization certified by the Hawaii
18 labor relations board as the collective bargaining agent to
19 represent all employees in an appropriate bargaining unit
20 without discrimination and without regard to employee
21 organization membership.



1 (e) Negotiations over matters covered by this section
2 shall be conducted between the employer and exclusive
3 representative pursuant to this chapter. Cost items that are
4 appropriated for and approved by the legislature and contained
5 in a collective bargaining agreement, memorandum of agreement,
6 or supplemental agreement covering, wholly or partially,
7 employees in charter schools shall be allocated by the
8 department of budget and finance to the charter school
9 administrative office for distribution to charter schools.
10 However, if the charter school administrative office deems it
11 appropriate, the cost items may be funded from a charter
12 school's existing allocation or other sources of revenue
13 received by a charter school."

14 SECTION 6. Section 26-35.5, Hawaii Revised Statutes, is
15 amended by amending subsection (a) to read as follows:

16 "(a) For purposes of this section, "member" means any
17 person who is appointed, in accordance with the law, to serve on
18 a temporary or permanent state board, including members of the
19 local school board of any [~~new century~~] charter school
20 [~~established under section 302A-1182 or new century conversion~~
21 ~~charter school~~] established under [~~section 302A-1191,~~] chapter
22 302B, council, authority, committee, or commission, established



1 by law or elected to the board of education or the board of
2 trustees of the employees' retirement system under section 88-
3 24; provided that "member" shall not include any person elected
4 to serve on a board or commission in accordance with chapter 11
5 other than a person elected to serve on the board of education."

6 SECTION 7. Section 89-6, Hawaii Revised Statutes, is
7 amended by amending subsection (g) to read as follows:

8 "(g) The following individuals shall not be included in
9 any appropriate bargaining unit or be entitled to coverage under
10 this chapter:

- 11 (1) Elected or appointed official;
- 12 (2) Member of any board or commission; provided that
13 nothing in this paragraph shall prohibit a member of a
14 collective bargaining unit from serving on a local
15 school board of a charter school, established under
16 chapter 302B;
- 17 (3) Top-level managerial and administrative personnel,
18 including the department head, deputy or assistant to
19 a department head, administrative officer, director,
20 or chief of a state or county agency or major
21 division, and legal counsel;



- 1 (4) Secretary to top-level managerial and administrative
2 personnel under paragraph (3);
- 3 (5) Individual concerned with confidential matters
4 affecting employee-employer relations;
- 5 (6) Part-time employee working less than twenty hours per
6 week, except part-time employees included in
7 bargaining unit (5);
- 8 (7) Temporary employee of three months' duration or less;
- 9 (8) Employee of the executive office of the governor or a
10 household employee at Washington Place;
- 11 (9) Employee of the executive office of the lieutenant
12 governor;
- 13 (10) Employee of the executive office of the mayor;
- 14 (11) Staff of the legislative branch of the State;
- 15 (12) Staff of the legislative branches of the counties,
16 except employees of the clerks' offices of the
17 counties;
- 18 (13) Any commissioned and enlisted personnel of the Hawaii
19 national guard;
- 20 (14) Inmate, kokua, patient, ward, or student of a state
21 institution;
- 22 (15) Student help;



- 1 (16) Staff of the Hawaii labor relations board;
- 2 (17) Employee of the Hawaii national guard youth challenge
- 3 academy; or
- 4 (18) Employees of the office of elections."

5 SECTION 8. Section 302A-101, Hawaii Revised Statutes, is

6 amended as follows:

7 1. By adding three new definitions to be appropriately

8 inserted and to read:

9 "Charter school administrative office" means the office

10 established in section 302B-8 responsible for the internal

11 organization, operation, and management of the charter school

12 system.

13 "Charter school authorization panel" means the panel

14 established in section 302B-4 that authorizes charter schools,

15 reviews charter school operations, and reviews or revokes

16 charters.

17 "Charter schools" means public schools holding charters to

18 operate as charter schools, as defined in chapter 302B."

19 2. By amending the definition of "public schools" to read:

20 "Public schools" means all academic and noncollege type

21 schools established and maintained by the department and [new



1 ~~century~~] charter schools chartered by the [~~board of education,~~
2 charter school authorization panel, in accordance with law."

3 3. By repealing the definition of "new century charter
4 schools".

5 [~~"New century charter schools" means public schools
6 chartered by the board of education with the flexibility to
7 implement alternative frameworks with regard to curriculum,
8 facilities management, instructional approach, length of the
9 school day, week, or year, and personnel management."~~]

10 SECTION 9. Section 302A-411, Hawaii Revised Statutes, is
11 amended by amending subsection (a) to read as follows:

12 "(a) The department shall establish and maintain junior
13 kindergartens and kindergartens with a program of instruction as
14 a part of the public school system; provided that:

15 (1) Attendance shall not be mandatory; and

16 (2) [~~New century charter~~] Charter schools [~~and new century
17 conversion charter schools~~] established under chapter
18 302B shall be excluded from mandatory participation in
19 the program."

20 SECTION 10. Section 302A-1124, Hawaii Revised Statutes, is
21 amended by amending subsection (a) to read as follows:



1 "(a) The department, through the board and its
2 superintendent, shall establish a school community council
3 system under which each public school, excluding [~~new century~~]
4 charter schools [~~and new century conversion charter schools,~~]
5 established under chapter 302B, shall create and maintain a
6 school community council. Each school community council shall:

- 7 (1) Review and evaluate the school's academic plan and
8 financial plan, and either recommend revisions of the
9 plans to the principal, or recommend the plans for
10 approval by the complex area superintendent;
- 11 (2) Ensure that the school's academic and financial plans
12 are consistent with the educational accountability
13 system under section 302A-1004;
- 14 (3) Participate in principal selection and evaluation, and
15 transmit any such evaluations to the complex area
16 superintendent; and
- 17 (4) Provide collaborative opportunities for input and
18 consultation."

19 SECTION 11. Section 302A-1302, Hawaii Revised Statutes, is
20 amended to read as follows:

21 "**§302A-1302 School-based budget flexibility.** (a)
22 Beginning with the 1995-1997 fiscal biennium, the department



1 shall implement school-based budget flexibility for schools,
2 complexes, and learning support centers. The flexibility shall
3 be limited to the school-based budgeting program EDN 100 of the
4 department for all schools except [~~new century~~] charter schools
5 [~~defined in section 302A-101 and new century conversion charter~~
6 ~~schools defined in section 302A-1191.~~] established under chapter
7 302B.

8 (b) Beginning in fiscal year [~~2004-2005,~~] 2006-2007, and
9 every year thereafter, the office shall distribute the
10 allocations due to a [~~new century~~] charter school [~~or new~~
11 ~~century conversion charter school pursuant to sections 302A-1185~~
12 ~~and 302A-1191,~~] established under chapter 302B directly to the
13 [~~new century~~] charter school [~~or new century conversion charter~~
14 ~~school~~]."

15 SECTION 12. Section 302A-1303.6, Hawaii Revised Statutes,
16 is amended to read as follows:

17 "[~~§~~]**§302A-1303.6**[~~]~~ **Weighted student formula.** Based upon
18 recommendations from the committee on weights, the board of
19 education, not less than annually, shall adopt a weighted
20 student formula for the allocation of moneys to public schools
21 [~~which~~] that takes into account the educational needs of each
22 student. The department, upon the receipt of appropriated



1 moneys, shall use the weighted student formula to allocate funds
2 to public schools. Principals shall expend moneys provided to
3 the principals' schools. This section shall only apply to [~~new~~
4 ~~century~~] charter schools [~~and new century conversion charter~~
5 ~~schools~~] for fiscal years in which the [~~new century~~] charter
6 schools [~~and new century conversion charter schools~~] elect
7 pursuant to section [~~302A-1182.5~~] 302B-13 to receive allocations
8 according to the weighted student formula."

9 SECTION 13. Section 302A-1505, Hawaii Revised Statutes, is
10 amended by amending subsection (b) to read as follows:

11 "(b) Prior to informing the department about the school's
12 repair and maintenance needs, the school's principal shall
13 consider the recommendations made by the school community
14 council or the local school board, if the school is a [~~new~~
15 ~~century~~] conversion charter school[~~-~~] established under chapter
16 302B."

17 SECTION 14. Section 302A-1507, Hawaii Revised Statutes, is
18 amended by amending subsection (a) to read as follows:

19 "(a) There is established a classroom cleaning project in
20 all public schools, excluding [~~new century~~] charter schools [~~and~~
21 ~~new century conversion charter schools.~~] established under
22 chapter 302B. Each school, through its school community



1 council, may develop mechanisms to provide for classroom
2 cleaning, including but not limited to having parent, student,
3 or other community groups clean the classrooms on a regular,
4 continuing basis."

5 PART III

6 SECTION 15. The purpose of this part is to amend various
7 sections of the Hawaii Revised Statutes relating to education
8 and the department of education to further the ability of the
9 State's charter schools to act independently of the department
10 of education and the public schools that the department
11 establishes and operates.

12 SECTION 16. Section 302A-301, Hawaii Revised Statutes, is
13 amended by amending subsection (a) to read as follows:

14 "(a) There is established in the state treasury a trust
15 fund to be known as the incentive and innovation grant trust
16 fund to provide incentive and innovation grants to qualified
17 schools[-], including charter schools. Expenditures from the
18 trust fund shall be made by the department and shall be subject
19 to the allotment and expenditure plan required under section 37-
20 34.5. Notwithstanding any other law to the contrary, tax
21 deductible donations may be made to, and received by, this trust
22 fund."



1 SECTION 17. Section 302A-1128, Hawaii Revised Statutes, is
2 amended to read as follows:

3 **"§302A-1128 Department powers and duties.** (a) The
4 department shall have entire charge and control and be
5 responsible for the conduct of all affairs pertaining to public
6 instruction[7] in the public schools the department establishes
7 and operates, including operating and maintaining the capital
8 improvement and repair and maintenance programs for department
9 and school facilities. The department may establish and
10 maintain schools for secular instruction at such places and for
11 such terms as in its discretion it may deem advisable and the
12 funds at its disposal may permit. The schools may include high
13 schools, kindergarten schools, schools or classes for pregrade
14 education, boarding schools, Hawaiian language medium education
15 schools, and evening and day schools. The department may also
16 maintain classes for technical and other instruction in any
17 school where there may not be pupils sufficient in number to
18 justify the establishment of separate schools for these
19 purposes.

20 (b) The department shall regulate the courses of study to
21 be pursued in all grades of the public schools it establishes



1 and operates, and classify them by methods the department deems
2 proper; provided that:

3 (1) The course of study and instruction shall be regulated
4 in accordance with the statewide performance standards
5 established under section 302A-201;

6 (2) All pupils shall be progressively competent in the use
7 of computer technology; and

8 (3) The course of study and instruction for the first
9 twelve grades shall provide opportunities for all
10 students to develop competency in a language in
11 addition to English.

12 The department shall develop statewide educational policies
13 and guidelines based on this subsection without regard to
14 chapter 91.

15 For the purposes of this subsection, the terms
16 "progressively competent in the use of computer technology" and
17 "competency in a language in addition to English" shall be
18 defined by policies adopted by the board. The board shall
19 formulate statewide educational policies allowing the
20 superintendent to exempt certain students from the requirements
21 of paragraphs (2) and (3) without regard to chapter 91.



1 (c) Nothing in this section shall interfere with those
2 persons attending a summer school."

3 SECTION 18. Section 302A-1402, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "[~~+~~]**§302A-1402**[~~+~~] **Custodian of federal funds.** The
6 director of finance is designated as custodian of all funds
7 received as the state apportionment under any federal
8 appropriations for public educational purposes and the director
9 shall disburse the funds, pursuant to the requirements,
10 restrictions, and regulations of the federal acts under which
11 the funds may be provided, on vouchers approved by the board, or
12 by any subordinate thereunto duly authorized by the board~~[-]~~, or
13 as appropriate, by the charter school administrative office."

14 SECTION 19. Section 302A-1403, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "[~~+~~]**§302A-1403**[~~+~~] **Authority to secure federal funds.** The
17 department, the charter school administrative office, director
18 of finance, and governor may take such steps and perform such
19 acts as may be necessary or proper [~~in order~~] to secure any such
20 federal funds for the purposes specified in sections 302A-1401
21 and 302A-1402."



1 SECTION 20. Section 302A-1404, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) The department and the charter school administrative
4 office, as appropriate, may retain and expend federal indirect
5 overhead reimbursements for discretionary grants in excess of
6 the negotiated rate for such reimbursements as determined by the
7 director of finance and the superintendent[-] or the director of
8 finance and the executive director of the charter school
9 administrative office."

10 SECTION 21. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 22. This Act shall take effect on July 1, 2020;
13 provided that the amendments made to section 89-6(g), Hawaii
14 Revised Statutes, by section 7 of this Act shall not be repealed
15 when sections 89-6, Hawaii Revised Statutes, is repealed and
16 reenacted on July 1, 2008, pursuant to section 8 of Act 245,
17 Session Laws of Hawaii 2005.

