
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 "start-up charter
12 schools" and "conversion charter schools",
13 respectively;

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



- 1 (4) Renaming the charter school review panel as the
2 charter school oversight panel, expanding its
3 membership, and assigning it the duties of charter
4 school review and ongoing oversight;
- 5 (5) Setting minimum and maximum limits on the amount a
6 nonprofit organization can contribute annually per
7 pupil, toward the operation of a conversion charter
8 school;
- 9 (6) Clarifying and enhancing the powers and duties of the
10 charter school administrative office and its executive
11 director;
- 12 (7) Empowering the local school boards of the charter
13 schools to negotiate memorandums of agreement of
14 supplemental collective bargaining agreements with the
15 exclusive representatives of their employees;
- 16 (8) Allowing civil service employees of a conversion
17 charter school to retain their civil service status in
18 the department of education human resources civil
19 service system; and
- 20 (9) Amending other parts of the Hawaii Revised Statutes to
21 maintain consistency with the provisions of the new
22 chapter relating to charter schools.



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

3 "CHAPTER 302B

4 PUBLIC CHARTER SCHOOLS

5 §302B-1 Purpose. The purpose of this chapter is to
6 authorize the establishment of a charter school system and set
7 forth standards for the governance, administration, support,
8 financing, autonomy, and accountability for charter schools,
9 including start-up charter schools and conversion charter
10 schools.

11 The charter school system is an important complement to the
12 department of education's school system, one that empowers local
13 school boards and their charter schools by allowing more
14 autonomy and flexibility and placing greater responsibility at
15 the school level. The charter school system is made up of the
16 board of education, the charter school administrative office,
17 the charter school oversight panel, and individual charter
18 schools with differing visions, missions, and approaches to
19 meeting the various needs and desires of Hawaii's communities.

20 The purposes of the charter school system include:

21 (1) Providing administrators, parents, students, and
22 teachers with expanded alternative public school



1 choices in the types of schools, educational programs,
2 opportunities, and settings, including services for
3 underserved populations, geographical areas, and
4 communities; and

5 (2) Encouraging and, when resources and support are
6 provided, serving as a research venue for the
7 development, use, and dissemination of alternative and
8 innovative approaches to educational governance,
9 financing, administration, curricula, technology, and
10 teaching strategies.

11 **§302B-2 Definitions.** Whenever used in this chapter,
12 unless the context otherwise requires:

13 "Board" means the board of education, which has the power
14 to authorize a charter school.

15 "Charter school" refers to those public schools holding
16 charters to operate as charter schools, including start-up and
17 conversion charter schools described in this chapter, and that
18 have the flexibility to implement alternative frameworks with
19 regard to curriculum, facilities management, instructional
20 approach, length of the school day, week, or year, and personnel
21 management.



1 "Charter school oversight panel" or the "panel" means the
2 panel established pursuant to section 302B-4 with the powers and
3 duties to oversee, review, and revoke a charter.

4 "Conversion charter school" means:

- 5 (1) Any existing department school that converts to a
6 charter school and is managed and operated in
7 accordance with section 302B-7;
- 8 (2) Any existing department school that converts to a
9 charter school and is managed and operated by a
10 nonprofit organization in accordance with section
11 302B-7; or
- 12 (3) A newly created school, consisting of programs or
13 sections of existing public school populations that
14 are funded and governed independently and may include
15 part of a separate Hawaiian language immersion program
16 using existing public school facilities.

17 "Department" means the department of education.

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



1 "Executive director" means the executive director of the
2 charter school administrative office.

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

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

13 (1) Is recognized as a tax-exempt organization under
14 Section 501(c)(3) of the Internal Revenue Code of
15 1986, as amended; and

16 (2) Is domiciled in this State.

17 "Office" means the charter school administrative office.

18 "Organizational viability" means that a charter school:

19 (1) Has been duly constituted in accordance with its
20 charter;

21 (2) Has a local school board established in accordance
22 with law and its charter;



- 1 (3) Employs sufficient faculty and staff to provide the
2 necessary educational program and support services to
3 operate the facility in accordance with its charter;
- 4 (4) Maintains accurate and comprehensive records regarding
5 students and employees as determined by the office;
- 6 (5) Meets appropriate standards of student achievement;
- 7 (6) Cooperates with board, panel, and office requirements
8 in conducting its functions;
- 9 (7) Complies with applicable federal, state, and county
10 laws and requirements;
- 11 (8) In accordance with the office guidelines and
12 procedures, is financially sound and fiscally
13 responsible in its use of public funds, maintains
14 accurate and comprehensive financial records, operates
15 in accordance with generally accepted accounting
16 practices, and maintains a sound financial plan;
- 17 (9) Operates within the scope of its charter and fulfills
18 obligations and commitments of its charter;
- 19 (10) Complies with all health and safety laws and
20 requirements; and
- 21 (11) Complies with all office directives, policies, and
22 procedures.



1 "Start-up charter school" means a new charter school that
2 was created under section 302B-6.

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

8 **§302B-4 Charter school oversight panel; establishment;**
9 **powers and duties.** (a) There is established the charter school
10 oversight panel, which shall be placed within the office for
11 administrative purposes only.

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

- 14 (1) Two licensed teachers regularly engaged in teaching;
15 (2) Two educational officers;
16 (3) One member or former member of a charter school local
17 school board;
18 (4) The chair of the board of education or the chair's
19 designee;
20 (5) The executive director or the executive director's
21 designee;



1 (6) A representative of Hawaiian culture-focused schools;
2 and

3 (7) A representative from the University of Hawaii.

4 (c) Other than the chair of the board and the executive
5 director, the board shall appoint the remaining members of the
6 panel from a list of qualified nominees submitted to the board
7 by the charter schools, agencies, and organizations
8 representative of the constituencies of the panel. To the
9 extent possible, the panel membership shall include members from
10 all islands. Nominations to the panel shall be submitted to the
11 office, which shall certify which category of membership each
12 nominee would qualify to serve, and transmit the names of the
13 nominees with their qualifications to the board.

14 (d) Appointed panel members shall serve not more than
15 three consecutive three-year terms; provided that the initial
16 terms of the appointed members that commence after June 30,
17 2006, shall be staggered as follows:

- 18 (1) Three members to serve three-year terms;
- 19 (2) Two members to serve two-year terms; and
- 20 (3) One member to serve a one-year term.

21 (e) Panel members shall receive no compensation. When
22 panel duties require that a panel member take leave of the panel

1 member's duties as a state employee, the appropriate state
 2 department shall allow the panel member to be placed on
 3 administrative leave with pay and shall provide substitutes,
 4 when necessary, to perform that panel member's duties. Panel
 5 members shall be reimbursed for necessary travel expenses
 6 incurred in the conduct of official panel business.

7 (f) The panel shall establish operating rules which shall
 8 include conflict of interest provisions for any member whose
 9 school of employment or local school board membership is before
 10 the panel.

11 (g) The chair of the panel shall be designated by the
 12 members of the panel.

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

- 14 (1) Review applications for new charter schools in
 15 accordance with section 302B-6 and 302B-7;
- 16 (2) Make recommendations to the board for the issuance of
 17 new charters;
- 18 (3) Ensure that charters, detailed implementation plans,
 19 and performance contracts are designed to maximize
 20 school financial and academic success and long term
 21 organizational viability;
- 22 (4) Adopt reporting requirements for charter schools;

- 1 (5) Periodically review existing charter school
2 operations, and approve significant amendments to the
3 charter and detailed implementation plan;
- 4 (6) Respond to annual self-evaluation reports from charter
5 schools;
- 6 (7) Periodically report to the board the results of
7 monitoring any recommendations to a charter detailed
8 implementation plan, requests and warnings made to a
9 charter to comply with the provisions of this section,
10 any disciplinary actions taken with regard to a
11 charter school, or the revocation of a charter;
- 12 (8) Provide an annual report to the board, the
13 legislature, and the charter schools no later than
14 March 1 of each year;
- 15 (9) Adopt operating procedures and administrative rules,
16 policies, and guidelines;
- 17 (10) Develop procedures for the closing of a charter school
18 and the transfer of appropriate assets to the State;
- 19 (11) Monitor the assistance and support provided by other
20 state agencies to the charter schools;
- 21 (12) Hold charter schools accountable for their
22 performance; and



1 (13) Revoke a charter.

2 (i) The office shall provide for the staff support and
3 expenses of the panel. The office shall submit to the
4 legislature annual appropriation requests to fund the operations
5 of the panel.

6 (j) The panel may adopt administrative rules in accordance
7 with chapter 91 to implement this chapter.

8 (k) The panel shall be exempt from chapter 92, but shall
9 adopt policies to facilitate transparency, openness, public
10 decision making, and participation, including the timely posting
11 of agendas, approved minutes and documents for action on the
12 Internet at least one week before meetings, notification of
13 interested parties, and timely posting of its recommendations
14 and reports.

15 **§302B-5 Limits on charter schools.** Beginning in July
16 2007, the board, with the recommendation of the panel, may
17 authorize one new start-up charter school for each existing
18 start-up or conversion charter school that has received a three-
19 year or longer accreditation from the Western Association of
20 Schools and Colleges or a comparable accreditation authority as
21 determined by the panel; provided that the total number of
22 conversion charter schools authorized by the board, with the



1 recommendation of the panel, shall not exceed twenty-five. This
2 limit shall not apply to a department school in restructuring
3 that is seeking to convert to a charter school in accordance
4 with the federal No Child Left Behind Act of 2001 (Public Law
5 107-110).

6 **§302B-6 Start-up charter schools; establishment.** (a) New
7 start-up charter schools may be established pursuant to this
8 section.

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

15 (c) The charter application process shall be as follows:

16 (1) On or before September 1 in a given calendar year,
17 those who seek to apply for a charter with the intent
18 of operating a start-up charter school in the coming
19 school year shall submit a letter of intent to the
20 office signed by members of the interim local school
21 board.



- 1 (2) On or before October 1 of the same year, the office
2 shall transmit the application form and completion
3 guidelines to the interim local school board.
- 4 (3) On or before December 15 of the same year, the interim
5 local school board shall submit to the office its
6 completed application.
- 7 (4) The office shall have ten working days to review the
8 application for completeness and inform the interim
9 local school board if the application is complete or,
10 if the application is insufficient, a written
11 statement of the elements of the application that
12 require completion.
- 13 (5) The interim local school board shall have ten working
14 days to resubmit its complete application.
- 15 (6) Upon receipt of a completed application, the executive
16 director shall convene the panel to begin review of
17 the application. The executive director may provide
18 the panel with a recommendation based upon review of
19 the application.
- 20 (7) On or before February 15 of the calendar year
21 following application submission, the panel shall
22 notify the applicant of any revisions it may require

1 in order to receive a recommendation of approval to be
2 forwarded to the board.

3 (8) On or before May 1 of the calendar year following
4 application submission, the panel shall transmit its
5 recommendation to the board.

6 (9) On or before June 15 of the calendar year following
7 application submission, the board shall by majority
8 vote, either issue or deny the charter; provided that
9 if the board does not approve the application and
10 issue a charter, the board:

11 (A) Shall clearly identify in writing its reasons for
12 not issuing the charter, which may be used as
13 guidelines for an amended plan;

14 (B) Shall allow the local school board to revise its
15 plan in accordance with the board's guidelines,
16 and resubmit an amended plan within ten calendar
17 days;

18 (C) May issue a provisional approval if the board
19 determines that the applicant may reasonably be
20 expected to expeditiously resolve any remaining
21 findings impeding the issuance of a charter. The
22 provisional approval shall be effective for one



1 year. The board may extend the provisional
2 approval beyond a period of one year.

3 (10) Upon receipt of an amended plan, the board shall issue
4 its final decision by July 1.

5 (11) No start-up charter school may begin operation if the
6 board has not issued at least a provisional approval
7 of its charter on or before July 1.

8 (12) If the board is unable to issue a charter before
9 July 1, the applicant may resubmit its application the
10 following year.

11 (d) The application to become a start-up charter school
12 shall include a detailed implementation plan that meets the
13 requirements of this subsection and section 302B-10. The plan
14 shall include the following:

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

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

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



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



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

7 (8) A facilities plan.

8 (e) The panel may adopt rules pursuant to charter 91 to
9 further guide the panel's start-up charter review process.

10 **§ 302B-7 Conversion charter schools; establishment.** (a) A
11 conversion charter school may be established pursuant to this
12 section.

13 (b) Any department school, school community council, group
14 of teachers, group of teachers and administrators, or nonprofit
15 organization may submit a letter of intent to the office to
16 convert a department school to a charter school, establish an
17 interim local school board as its governing body, and develop a
18 detailed implementation plan pursuant to subsection (d).

19 (c) The conversion charter school application process
20 shall be as follows:

21 (1) On or before September 1 in a given calendar year,
22 those who seek to apply for a conversion charter with



1 the intent of operating a conversion charter school in
2 the coming school year, shall submit a letter of
3 intent to the office signed by members of the interim
4 local school board.

5 (2) On or before October 1 of the same year, the office
6 shall transmit the application form and completion
7 guidelines to the interim local school board.

8 (3) On or before December 15 of the same year, the interim
9 local school board shall submit to the office its
10 completed application. The application shall include
11 certification and documentation that the application
12 and the proposed detailed implementation plan was
13 approved by a majority of the votes cast by existing
14 administrative, support, teaching personnel, and
15 parents of students at the proposed conversion
16 charters school.

17 (4) The office shall have ten working days to review the
18 application for completeness and inform the interim
19 local school board if the application is complete or,
20 if the application is insufficient, a written
21 statement of the elements of the application that
22 require completion.



- 1 (5) The interim local school board shall have ten working
2 days to resubmit its complete application.
- 3 (6) Upon receipt of a completed application, the executive
4 director shall convene the panel to begin review of
5 the application. The executive director may provide
6 the panel with a recommendation based upon review of
7 the application.
- 8 (7) On or before February 15 of the calendar year
9 following application submission, the panel shall
10 notify the applicant of any revisions it may require
11 in order to receive a recommendation of approval to be
12 forwarded to the board.
- 13 (8) On or before May 1 of the calendar year following
14 application submission, the panel shall transmit its
15 recommendation to the board for adjudication.
- 16 (9) On or before June 15 of the calendar year following
17 application submission, the board shall by majority
18 vote, either issue or deny the charter; provided that
19 if the board does not approve the application and
20 issue a charter, the board:



- 1 (A) Shall clearly identify in writing its reasons for
- 2 not issuing the charter, which may be used as
- 3 guidelines for an amended plan;
- 4 (B) Shall allow the local school board to revise its
- 5 plan in accordance with the board's guidelines,
- 6 and resubmit an amended plan within ten calendar
- 7 days;
- 8 (C) May issue a provisional approval if the board
- 9 determines that the applicant may reasonably be
- 10 expected to expeditiously resolve any remaining
- 11 findings impeding the issuance of a charter. The
- 12 provisional approval shall be effective for one
- 13 year. The board may extend the provisional
- 14 approval beyond a period of one year.
- 15 (10) Upon receipt of an amended plan, the board shall issue
- 16 its final decision by July 1.
- 17 (11) No conversion charter school may begin operation if
- 18 the board has not issued at least a provisional
- 19 approval of its charter on or before July 1.
- 20 (12) If the board is unable to issue a charter before
- 21 July 1, the applicant may resubmit its application the
- 22 following year.

1 (d) The application to become a conversion charter school
2 shall include a detailed implementation plan that meets the
3 requirements of this subsection and section 302B-10. The plan
4 shall include the following:

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



- 1 (C) Includes a system of faculty and staff
2 accountability that holds faculty and staff both
3 individually and collectively accountable for
4 their performance, and that is at least
5 equivalent to the average system of
6 accountability in public schools throughout the
7 State; and
- 8 (D) Provides for program audits and annual financial
9 audits;
- 10 (6) A governance structure for the charter school that
11 incorporates a conflict of interest policy and a plan
12 for periodic training to carry out the duties of local
13 school board members;
- 14 (7) A financial plan based on the most recent fiscal
15 year's per-pupil charter school allocation that
16 demonstrates the ability to meet the financial
17 obligations of one-time, start-up costs and ongoing
18 costs such as monthly payrolls, faculty recruitment,
19 professional development, and facilities costs; and
- 20 (8) A facilities plan.
- 21 (e) The panel may adopt rules pursuant to charter 91 to
22 further guide the panel's conversion charter review process.



1 (f) A nonprofit organization may submit a letter of intent
2 to the office to convert a department school to a conversion
3 charter school, operate and manage the school, establish a local
4 school board as its governing body, and develop a detailed
5 implementation plan pursuant to subsection (c); provided that:

6 (1) The local school board as the governing body of the
7 conversion charter school shall be composed of the
8 board of directors of the nonprofit organization and
9 not the participants specified in section 302B-8. The
10 nonprofit organization may also appoint advisory
11 groups of community representatives for each school
12 managed by the nonprofit organization; provided that
13 these groups shall not have governing authority over
14 the school and shall serve only in an advisory
15 capacity to the nonprofit organization;

16 (2) The detailed implementation plan for each conversion
17 charter school to be operated by the nonprofit
18 organization shall be formulated, developed, and
19 submitted by the nonprofit organization, and shall be
20 approved by a majority of the votes cast by existing
21 administrative, support, and teaching personnel, and

1 parents of the students of the proposed conversion
2 charter school;

3 (3) The board of directors of the nonprofit organization,
4 as the governing body for the conversion charter
5 school that it operates and manages, shall have the
6 same protections that are afforded to the board in its
7 role as the conversion charter school governing body;

8 (4) Any conversion charter school that is managed and
9 operated by a nonprofit organization shall be eligible
10 for the same federal and state funding as other public
11 schools; provided that the nonprofit organization
12 makes a minimum annual contribution of \$1 per pupil
13 toward the operation of a conversion charter school
14 for every \$4 per pupil allocated by the office for the
15 operation of the conversion charter school; provided
16 that in no event shall the nonprofit organization be
17 required to contribute more than the total required
18 contribution per pupil per year. As used in this
19 section, "total required contribution" means:

20 (A) \$1,500 for school years 2006-2007 through
21 2010-11;



1 (B) \$1,650 for school years 2011-2012 through
2 2015-2016; and

3 (C) \$1,815 for school years 2016-2017 through
4 2020-2021; and

5 (5) If, at any time, the board of directors of the
6 nonprofit organization governing the conversion
7 charter school votes to discontinue its relationship
8 with the charter school, the charter school may submit
9 an application with a revised detailed implementation
10 plan to the panel to continue as a conversion school
11 without the participation of the nonprofit
12 organization.

13 (g) Any nonprofit organization that seeks to manage or
14 operate a conversion charter school as provided in subsection

15 (f) shall comply with the following at the time of application:

16 (1) Have bylaws or policies that describe the manner in
17 which business is conducted and policies that relate
18 to the management of potential conflict of interest
19 situations;

20 (2) Have experience in the management and operation of
21 public or private schools or, to the extent necessary,



1 agree to obtain appropriate services from another
2 entity or entities possessing such experience;

3 (3) Comply with all applicable federal, state, and county
4 laws, including licensure or accreditation, as
5 applicable; and

6 (4) Comply with any other requirements prescribed by the
7 department to ensure adherence with applicable
8 federal, state, and county laws, and the purposes of
9 this chapter.

10 (h) Any public school or schools, programs, or sections of
11 existing public school populations that are part of a separate
12 Hawaiian language immersion program and using existing public
13 school facilities may submit a letter of intent to the office to
14 form a conversion charter school pursuant to this section.

15 (i) In the event of a conflict between the provisions in
16 this section and other provisions in this chapter, this section
17 shall control.

18 **§302B-8 Charter school local school boards; powers and**
19 **duties.** (a) All local school boards, with the exception of
20 those of conversion charter schools that are managed and
21 operated by a nonprofit organization pursuant to section

1 302B-7(f), shall be composed of, at a minimum, one
2 representative from each of the following participant groups:

- 3 (1) Principals;
- 4 (2) Instructional staff members selected by the school
5 instructional staff;
- 6 (3) Support staff selected by the support staff of the
7 school;
- 8 (4) Parents of students attending the school selected by
9 the parents of the school;
- 10 (5) Student body representatives selected by the students
11 of the school; and
- 12 (6) The community at large.

13 (b) No chief executive officer, chief administrative
14 officer, executive director, or otherwise designated head of a
15 school may serve as the chair of the local school board.

16 (c) The local school board shall be the autonomous
17 governing body of a charter school that receives the charter and
18 shall be responsible for the financial and academic viability of
19 the charter school, implementation of the charter, the
20 organization and management of the school, the curriculum, and
21 compliance with applicable federal and state laws. The local
22 school board shall have the power to negotiate supplemental



1 collective bargaining agreements with the exclusive
2 representatives of their employees.

3 (d) Local school boards shall be exempt from chapter 103D,
4 but shall develop internal policies and procedures for the
5 procurement of goods, services, and construction, consistent
6 with the goals of public accountability and public procurement
7 practices. Charter schools are encouraged to use the provisions
8 of chapter 103D wherever possible; provided that the use of one
9 or more provisions of chapter 103D shall not constitute a waiver
10 of the exemption from chapter 103D and shall not subject the
11 charter school to any other provision of chapter 103D.

12 (e) Charter schools and their local school boards shall be
13 exempt from chapter 92, provided that the local school boards
14 shall make available the notices, agendas, documents to be voted
15 upon and previously approved minutes of public meetings:

16 (A) At a publicly accessible area in the local school
17 board or the charter school administrative office
18 and available for review during regular business
19 hours; and

20 (B) On the local school board's or charter school's
21 Internet web site not less than six days prior to
22 the public meeting, unless a waiver is granted by



1 the executive director in the case of an
2 emergency; and provided further that charter
3 schools and their local school boards shall adopt
4 internal procedures to facilitate and encourage
5 public decision making, transparency,
6 accountability, reasonable access to records,
7 school and community participation and open
8 discussion. Charter schools are encouraged to
9 comply with the provisions of chapter 92 wherever
10 possible; provided that the use of one or more
11 provisions of chapter 92 shall not constitute a
12 waiver of the exemption from chapter 92 and shall
13 not subject the charter school to any other
14 provision of chapter 92. Inclusion of a charter
15 school's sunshine policy shall be a requirement
16 in each charter school's annual report; provided
17 that the office shall prepare an annual report to
18 the legislature on the open government policies
19 and practices of charter schools.

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



1 **§302B-9 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 based upon the recommendations of an
7 organization of charter schools operating within the State or
8 from a list of nominees submitted by the charter schools. The
9 board may hire the executive director on a multi-year contract.
10 The executive director may hire necessary staff without regard
11 to chapters 76 and 89 to assist in the administration of the
12 office.

13 (b) The executive director, under the direction of the
14 board and in consultation with the charter schools, shall be
15 responsible for the internal organization, operation, and
16 management of the 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, the governor, and the
20 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 the agencies to the charter
12 schools;
- 13 (6) The provision of independent analysis and
14 recommendations on charter school issues;
- 15 (7) Representation of charter schools and the charter
16 school system in communications with the board, the
17 governor, and the legislature;
- 18 (8) Communication of the board's positions, policies, and
19 views on charter schools to policy makers, charter
20 schools, and the public;



1 (9) Advocacy, assistance, and support for the development,
2 growth, progress, and success of charter schools and
3 the charter school system;

4 (10) Facilitation of training and oversight of
5 administrative support for the charter school
6 oversight panel;

7 (11) Implementation of the policies and rules of the
8 charter schools oversight panel;

9 (12) Establishing a dispute resolution and mediation panel;
10 and

11 (13) Upon request by one or more charter schools, assisting
12 in the negotiation of a collective bargaining
13 agreement with the exclusive representative of its
14 employees.

15 (c) The executive director shall be evaluated annually and
16 separately by the board and the charter schools.

17 (d) The salary of the executive director and staff shall
18 be set by the board based upon the recommendations of charter
19 schools within the State; provided that the salaries and
20 operational expenses of the office shall be paid from the annual
21 charter school appropriation and shall not exceed two per cent
22 of the total allocation in any fiscal year.

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

- 3 (1) Vacation and sick leave accrued by employees
4 transferring to a charter school from another state
5 agency or department;
- 6 (2) The cost of substitute teachers needed when a teacher
7 is out on vacation or sick leave;
- 8 (3) Adjustments to enrollments;
- 9 (4) Costs associated with arbitration in the grievance
10 process; and
- 11 (5) Costs associated with the charter school oversight
12 panel.

13 (f) The office may withhold funds for unauthorized charter
14 school enrollments that are inconsistent with approved detailed
15 implementation plans.

16 (g) The office may carry over funds from previous year
17 allocations. Funds distributed to charter schools shall be
18 considered expended.

19 **§302B-10 Exemptions from state laws.** (a) Charter schools
20 shall be exempt from chapter 92 and all other state laws in
21 conflict with this chapter, except those regarding:

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

1 (A) The exclusive representatives defined in charter
2 89 and the local school board of the charter
3 school may enter into supplemental agreements
4 that contain cost and noncost items to facilitate
5 decentralized decisionmaking;

6 (B) The agreements shall be funded from the current
7 allocation or other sources of revenue received
8 by the charter school; provided that collective
9 bargaining increases for employees shall be
10 allocated by the department of budget and finance
11 to the charter school administrative office for
12 distribution to charter schools; and

13 (C) These supplemental agreements may differ from the
14 master contracts negotiated with the department;

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 chapter 103D, but shall develop internal policies and procedures
19 for the procurement of goods, services, and construction,
20 consistent with the goals of public accountability and public
21 procurement practices. Charter schools and the office are
22 encouraged to use the provisions of chapter 103D where possible;

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

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

12 (d) Notwithstanding any law to the contrary, as public
13 schools and entities of the State, neither a charter school nor
14 the office may bring suit against any other entity or agency of
15 the State.

16 **§302B-11 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 charter school. Positions in a charter school that would be
20 civil service in a department public school shall be civil
21 service positions and subject to chapter 76. An employee with
22 civil service status at a charter school who transfers to



1 another civil service position shall be entitled to all of the
2 rights, privileges, and benefits of continuous, uninterrupted
3 civil service. Civil service employees of a charter school
4 shall retain their civil service status in the department human
5 resources civil service system and shall be entitled to all
6 rights and benefits as other civil service employees employed by
7 the department. Exempt civil service employees as provided in
8 section 76-16(b) of a conversion charter school shall retain
9 their status in the department human resources system for
10 support services personnel and shall be entitled to all rights
11 and benefits as other exempt civil service employees employed by
12 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-12 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-13 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 regular education cost categories,
21 including comprehensive school support services but
22 excluding special education services, and for all



1 means of financing except federal funds, as reported
2 in the most recently published department consolidated
3 annual financial report; provided that the legislature
4 may make an adjustment to the per-pupil allocation for
5 the 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 unless they are already
11 included in the funds distributed to the charter
12 school.

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

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

21 (b) Charter schools shall be eligible for all federal
22 financial support to the same extent as all other public

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

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



1 and one-half per cent of the supplemental grant for which the
2 services are used.

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

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

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

16 (2) Provide an additional forty per cent of a charter
17 school's per-pupil allocation no later than November
18 15 of each year; provided that the charter school
19 shall submit to the office:

20 (A) Student enrollment as verified on October 15 of
21 each year; provided that the student enrollment
22 shall be verified on the last business day



1 immediately prior to October 15 should that date
2 fall on a weekend; and

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

10 (3) The remaining ten per cent per-pupil allocation of a
11 charter school no later than January 1 of each year as
12 a contingency balance to ensure fiscal accountability;
13 provided that the panel may adopt administrative rules in
14 accordance with chapter 91 to make adjustments in allocations
15 based on non-compliance with office administrative procedures
16 and panel-approved accountability requirements.

17 (d) The department shall provide appropriate transitional
18 resources to a conversion charter school for its first year of
19 operation as a charter school based upon the department's
20 allocation to the school for the year prior to the conversion.

21 (e) No start-up charter school or conversion charter
22 school may assess tuition.



1 **§302B-14 Weighted student formula.** (a) Notwithstanding
2 section 302B-12 and beginning on September 1, 2006, charter
3 schools shall elect whether to receive allocations according to
4 the department's weighted student formula adopted pursuant to
5 section 302A-1303.6; provided that:

6 (1) All charter schools, as a group, with each local
7 school board being accorded one vote, shall elect, by
8 greater than two-thirds agreement among the local
9 school boards, whether to receive allocations through
10 the department's weighted student formula;

11 (2) Any election by charter schools to receive department
12 allocations, or not to receive allocations, through
13 the department's weighted student formula shall be
14 made by September 1 of each even-numbered year, and
15 the election shall apply to the fiscal biennium
16 beginning July 1 of the following year; and

17 (3) The election to receive allocations, or not to receive
18 allocations, through the department's weighted student
19 formula shall be communicated to the department
20 through the office.

21 (b) The charter schools, through the office, may propose
22 to the board an alternative weighted student formula, approved



1 of by more than two-thirds of the local school boards, with each
2 local school board being accorded one vote, to be administered
3 by the office and to apply to the per-pupil allocation for
4 charter schools.

5 **§302B-15 Accountability; probationary status; revocation**
6 **of charter.** (a) Every charter school shall conduct annual
7 self-evaluations that shall be submitted to the office within
8 sixty working days after the completion of the school year, or
9 in accordance with administrative rules. The self-evaluation
10 process shall include but not be limited to:

- 11 (1) The identification and adoption of benchmarks to
12 measure and evaluate administrative and instructional
13 programs;
- 14 (2) The identification of any innovations or research that
15 may assist other public schools;
- 16 (3) The identification of any administrative and legal
17 barriers to meeting the adopted benchmarks, and
18 recommendations for improvements and modifications to
19 address the barriers;
- 20 (4) An evaluation of student achievement within the
21 charter school;



1 (5) A profile of the charter school's enrollment and the
2 community it serves, including a breakdown of regular
3 education and special education students; and

4 (6) An evaluation of the school's organizational
5 viability.

6 (b) The panel shall conduct multi-year evaluations of
7 charter schools that have been chartered for four or more years,
8 and may conduct special evaluations at any time. The panel
9 shall adopt rules pursuant to chapter 91 for its evaluations,
10 including a schedule of such evaluations.

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

13 (1) The charter school and the office are involved in
14 substantive discussions with the panel regarding the
15 evaluation;

16 (2) The notice of probation is delivered to the charter
17 school and specifies the deficiencies requiring
18 corrections, the probation period, and monitoring and
19 reporting requirements;

20 (3) For deficiencies related to student performance, a
21 charter school shall be allowed two years to improve
22 student performance; and

1 (4) For deficiencies related to financial plans, a charter
2 school shall be allowed one year to develop a sound
3 financial plan.

4 The charter school shall remain on probationary status
5 until the panel votes to either remove the charter school from
6 probationary status or revoke its charter.

7 The panel shall adopt administrative rules pursuant to
8 chapter 91 for placing charter schools on probation and for
9 revoking a charter.

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

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

18 (2) The panel chair appoints a task group to visit the
19 charter school and conduct meetings with its local
20 school board and its school community to gather input;

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

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

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

7 (e) If there is an immediate concern for student or
8 employee health or safety at a charter school, the panel, in
9 consultation with the office, may adopt an interim restructuring
10 plan that may include the appointment of an interim local school
11 board, an interim local school board chairperson, or a principal
12 to temporarily assume operations of the school; provided that
13 the charter school's stakeholders and community are first given
14 the opportunity to appoint a new local school board which shall
15 appoint a new interim principal.

16 (f) The executive director shall adopt administrative
17 rules to supplement accountability measures incorporated in the
18 written performance contracts required under sections 302B-5 and
19 302B-6.

20 (g) If, at any time, a charter school dissolves or the
21 charter is revoked, the State shall have first right, at no cost



1 to the State, to all the assets and facilities of the charter
2 school, except as otherwise provided by law.

3 **§302B-16 Responsibilities of department of education;**
4 **special education services.** (a) The department shall
5 collaborate with the office to develop a system of technical
6 assistance related to compliance with federal and state laws and
7 access to federal and state funds. The department and the
8 office shall collaborate to develop a list of central services
9 that the department may offer for purchase by a charter school
10 at an annual cost to be negotiated between an individual charter
11 school and the department. The department shall enter into a
12 contract with a charter school to provide these services, which
13 shall be re-negotiated on an annual basis.

14 (b) The department shall be responsible for the provision
15 of a free appropriate public education. Any charter school that
16 enrolls special education students or identifies one of its
17 students as eligible for special education shall be responsible
18 for providing the educational and related services required by a
19 student's individualized education program. The programs and
20 services for the student shall be determined collaboratively by
21 the student's individualized education program team and the
22 student's parents or legal guardians.



1 If the charter school is unable to provide all of the
2 required services, then services to the student shall be
3 provided by the department in accordance with the student's
4 individualized educational program team. The department shall
5 collaborate with the office to develop guidelines related to the
6 provision of special education services and resources to each
7 charter school. The department shall review all of the current
8 individualized education programs of special education students
9 enrolled in a charter school and may offer staff, funding, or
10 both, to the charter school based upon a per-pupil weighted
11 formula implemented by the department and used to allocate
12 resources for special education students in the public schools.

13 **§302B-17 Sports.** The department shall provide students at
14 charter schools with the same opportunity to participate in
15 athletics provided to students at other public schools. If a
16 student at a charter school wishes to participate in a sport for
17 which there is no program at the charter school, the department
18 shall allow that student to participate in a comparable program
19 of any public school in the complex in which the charter school
20 is located."

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



1 PART II

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

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

8 "§89- Charter school collective bargaining; bargaining
9 unit; employer; exclusive representative. (a) Employees of
10 charter schools shall be assigned to an appropriate bargaining
11 unit as specified in section 89-6; provided that if a charter
12 school employee's job description contains the duties and
13 responsibilities of an employee that could be assigned to more
14 than one bargaining unit, the duties and responsibilities that
15 are performed by the employee for the majority of the time,
16 based on the employee's average workweek, shall be the basis of
17 bargaining unit assignment for the employee.

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

1 (c) For the purpose of negotiating a memorandum of
2 agreement or a supplemental agreement that only applies to
3 employees of a charter school, the employer shall mean the local
4 school board, subject to the conditions and requirements
5 contained in the applicable sections of this chapter governing
6 any memorandum of agreement or supplemental agreement.

7 (d) Pursuant to this chapter, the exclusive representative
8 shall mean the employee organization certified by the Hawaii
9 labor relations board as the collective bargaining agent to
10 represent all employees in an appropriate bargaining unit
11 without discrimination and without regard to employee
12 organization membership.

13 (e) Negotiations over matters covered by this section
14 shall be conducted between the employer and exclusive
15 representative pursuant to this chapter. Cost items that are
16 appropriated for and approved by the legislature and contained
17 in a collective bargaining agreement, memorandum of agreement,
18 or supplemental agreement covering, wholly or partially,
19 employees in charter schools shall be allocated by the
20 department of budget and finance to the charter school
21 administrative office for distribution to charter schools.
22 However, if the charter school administrative office deems it



1 appropriate, the cost items may be funded from a charter
2 school's existing allocation or other sources of revenue
3 received by a charter school."

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

6 "(a) For purposes of this section, "member" means any
7 person who is appointed, in accordance with the law, to serve on
8 a temporary or permanent state board, including members of the
9 local school board of any [~~new century~~] charter school
10 [~~established under section 302A 1182 or new century conversion~~
11 ~~charter school~~] established under [~~section 302A 1191,~~] chapter
12 302B, council, authority, committee, or commission, established
13 by law or elected to the board of education or the board of
14 trustees of the employees' retirement system under section
15 88-24; provided that "member" shall not include any person
16 elected to serve on a board or commission in accordance with
17 chapter 11 other than a person elected to serve on the board of
18 education."

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



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

- 4 (1) Elected or appointed official;
- 5 (2) Member of any board or commission; provided that
6 nothing in this paragraph shall prohibit a member of a
7 collective bargaining unit from serving on a local
8 school board of a charter school established under
9 chapter 302B;
- 10 (3) Top-level managerial and administrative personnel,
11 including the department head, deputy or assistant to
12 a department head, administrative officer, director,
13 or chief of a state or county agency or major
14 division, and legal counsel;
- 15 (4) Secretary to top-level managerial and administrative
16 personnel under paragraph (3);
- 17 (5) Individual concerned with confidential matters
18 affecting employee-employer relations;
- 19 (6) Part-time employee working less than twenty hours per
20 week, except part-time employees included in
21 bargaining unit (5);
- 22 (7) Temporary employee of three months' duration or less;



- 1 (8) Employee of the executive office of the governor or a
2 household employee at Washington Place;
- 3 (9) Employee of the executive office of the lieutenant
4 governor;
- 5 (10) Employee of the executive office of the mayor;
- 6 (11) Staff of the legislative branch of the State;
- 7 (12) Staff of the legislative branches of the counties,
8 except employees of the clerks' offices of the
9 counties;
- 10 (13) Any commissioned and enlisted personnel of the Hawaii
11 national guard;
- 12 (14) Inmate, kokua, patient, ward, or student of a state
13 institution;
- 14 (15) Student help;
- 15 (16) Staff of the Hawaii labor relations board;
- 16 (17) Employee of the Hawaii national guard youth challenge
17 academy; or
- 18 (18) Employees of the office of elections."

19 SECTION 8. Section 302A-101, Hawaii Revised Statutes, is
20 amended as follows:

- 21 1. By adding three new definitions to be appropriately
22 inserted and to read:



1 "Charter school administrative office" or "office" means
2 the office established in section 302B-8 responsible for the
3 internal organization, operation, and management of the charter
4 school system.

5 "Charter school oversight panel" means the panel
6 established in section 302B-4 that oversees charter schools,
7 reviews charter school operations, and reviews and revokes
8 charters.

9 "Charter schools" means public schools holding charters to
10 operate as charter schools as defined in chapter 302B."

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

12 "Public schools" means all academic and noncollege type
13 schools established and maintained by the department and [new
14 century] charter schools chartered by the [board of education,
15 charter school oversight panel, in accordance with law."

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

18 ~~["New century charter schools" means public schools~~
19 ~~chartered by the board of education with the flexibility to~~
20 ~~implement alternative frameworks with regard to curriculum,~~
21 ~~facilities management, instructional approach, length of the~~
22 ~~school day, week, or year, and personnel management."]~~



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

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

- 6 (1) Attendance shall not be mandatory; and
- 7 (2) [~~New century charter~~] Charter schools [~~and new century~~
8 ~~conversion charter schools~~] established under chapter
9 302B shall be excluded from mandatory participation in
10 the program."

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

13 "(a) The department, through the board and its
14 superintendent, shall establish a school community council
15 system under which each public school, excluding [~~new century~~]
16 ~~charter schools [and new century conversion charter schools,]~~
17 established under chapter 302B, shall create and maintain a
18 school community council. Each school community council shall:

- 19 (1) Review and evaluate the school's academic plan and
20 financial plan, and either recommend revisions of the
21 plans to the principal, or recommend the plans for
22 approval by the complex area superintendent;

1 (2) Ensure that the school's academic and financial plans
2 are consistent with the educational accountability
3 system under section 302A-1004;

4 (3) Participate in principal selection and evaluation, and
5 transmit any such evaluations to the complex area
6 superintendent; and

7 (4) Provide collaborative opportunities for input and
8 consultation."

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

11 **"§302A-1302 School-based budget flexibility. (a)**

12 Beginning with the 1995-1997 fiscal biennium, the department
13 shall implement school-based budget flexibility for schools,
14 complexes, and learning support centers. The flexibility shall
15 be limited to the school-based budgeting program EDN 100 of the
16 department for all schools except [~~new-century~~] charter schools
17 [~~defined in section 302A-101 and new-century conversion charter~~
18 ~~schools defined in section 302A-1191.~~] established under chapter
19 302B.

20 (b) Beginning in fiscal year [~~2004-2005,~~] 2006-2007, and
21 every year thereafter, the [~~charter school administrative~~]
22 office shall distribute the allocations due to a [~~new-century~~]



1 charter school [~~or new century conversion charter school~~
2 ~~pursuant to sections 302A-1185 and 302A-1191,~~] established under
3 chapter 302B directly to the [~~new century~~] charter school [~~or~~
4 ~~new century conversion charter school~~]."

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

7 " **[+] §302A-1303.6 [.] Weighted student formula.** Based upon
8 recommendations from the committee on weights, the board of
9 education, not less than annually, shall adopt a weighted
10 student formula for the allocation of moneys to public schools
11 [~~which~~] that takes into account the educational needs of each
12 student. The department, upon the receipt of appropriated
13 moneys, shall use the weighted student formula to allocate funds
14 to public schools. Principals shall expend moneys provided to
15 the principals' schools. This section shall only apply to [~~new~~
16 ~~century~~] charter schools [~~and new century conversion charter~~
17 ~~schools~~] for fiscal years in which the [~~new century~~] charter
18 schools [~~and new century conversion charter schools~~] elect
19 pursuant to section [~~302A-1182.5~~] 302B-13 to receive allocations
20 according to the weighted student formula."

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

1 of education and the public schools that the department
2 establishes and operates.

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

5 "(a) There is established in the state treasury a trust
6 fund to be known as the incentive and innovation grant trust
7 fund to provide incentive and innovation grants to qualified
8 schools[-], including charter schools. Expenditures from the
9 trust fund shall be made by the department and shall be subject
10 to the allotment and expenditure plan required under section
11 37-34.5. Notwithstanding any other law to the contrary, tax
12 deductible donations may be made to, and received by, this trust
13 fund."

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

16 "**§302A-1128 Department powers and duties.** (a) The
17 department shall have entire charge and control and be
18 responsible for the conduct of all affairs pertaining to public
19 instruction[7] in the public schools the department establishes
20 and operates, including operating and maintaining the capital
21 improvement and repair and maintenance programs for department
22 and school facilities. The department may establish and

1 maintain schools for secular instruction at such places and for
 2 such terms as in its discretion it may deem advisable and the
 3 funds at its disposal may permit. The schools may include high
 4 schools, kindergarten schools, schools or classes for pregrade
 5 education, boarding schools, Hawaiian language medium education
 6 schools, and evening and day schools. The department may also
 7 maintain classes for technical and other instruction in any
 8 school where there may not be pupils sufficient in number to
 9 justify the establishment of separate schools for these
 10 purposes.

11 (b) The department shall regulate the courses of study to
 12 be pursued in all grades of the public schools it establishes
 13 and operates, and classify them by methods the department deems
 14 proper; provided that:

- 15 (1) The course of study and instruction shall be regulated
 16 in accordance with the statewide performance standards
 17 established under section 302A-201;
- 18 (2) All pupils shall be progressively competent in the use
 19 of computer technology; and
- 20 (3) The course of study and instruction for the first
 21 twelve grades shall provide opportunities for all

1 students to develop competency in a language in
2 addition to English.

3 The department shall develop statewide educational policies
4 and guidelines based on this subsection without regard to
5 chapter 91.

6 For the purposes of this subsection, the terms
7 "progressively competent in the use of computer technology" and
8 "competency in a language in addition to English" shall be
9 defined by policies adopted by the board. The board shall
10 formulate statewide educational policies allowing the
11 superintendent to exempt certain students from the requirements
12 of paragraphs (2) and (3) without regard to chapter 91.

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

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

17 "[+]§302A-1402[+] **Custodian of federal funds.** The
18 director of finance is designated as custodian of all funds
19 received as the state apportionment under any federal
20 appropriations for public educational purposes and the director
21 shall disburse the funds, pursuant to the requirements,
22 restrictions, and regulations of the federal acts under which



1 the funds may be provided, on vouchers approved by the board, or
2 by any subordinate thereunto duly authorized by the board[-], or
3 as appropriate, by the office."

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

6 "[+]§302A-1403[+] **Authority to secure federal funds.** The
7 department, the charter school administrative office, director
8 of finance, and governor may take such steps and perform such
9 acts as may be necessary or proper [~~in order~~] to secure any such
10 federal funds for the purposes specified in sections 302A-1401
11 and 302A-1402."

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

14 "(a) The department and the office, as appropriate, may
15 retain and expend federal indirect overhead reimbursements for
16 discretionary grants in excess of the negotiated rate for such
17 reimbursements as determined by the director of finance and the
18 superintendent[-] or the director of finance and the executive
19 director of the office."

20 SECTION 21. There is appropriated out of the general
21 revenues of the State of Hawaii the sum of 200,000, or so much
22 thereof as may be necessary for fiscal year 2006-2007, for the

1 board of education to oversee charter schools, review and
2 authorize charter school applications, and provide support to
3 the charter school oversight panel. The board may expend a
4 portion of this sum to create up to two full-time equivalent
5 positions to assist in carrying out the duties described in this
6 Act.

7 The sum appropriated shall be expended by the board of
8 education for the purposes of this Act.

9 SECTION 22. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 23. This Act shall take effect on July 1, 2020;
12 provided that the amendments made to section 89-6(g), Hawaii
13 Revised Statutes, by section 7 of this Act shall not be repealed
14 when sections 89-6, Hawaii Revised Statutes, is repealed and
15 reenacted on July 1, 2008, pursuant to section 8 of Act 245,
16 Session Laws of Hawaii 2005.



HB2962, SD1

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 SLH 2005. (SD1)

