
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 charter school system is an important
3 complement to the department of education's school system, one
4 that empowers local school boards and their charter schools by
5 allowing more autonomy and flexibility and placing greater
6 responsibility at the school level. The charter school system
7 is made up of the board of education, the charter school
8 administrative office, the charter school review panel, and
9 individual charter schools with differing visions, missions, and
10 approaches to meeting the various needs and desires of Hawaii's
11 communities.

12 The purposes of the charter school system include:

- 13 (1) Providing administrators, parents, students, and
14 teachers with expanded alternative public school
15 choices in the types of schools, educational programs,
16 opportunities, and settings, including services for
17 underserved populations, geographical areas, and
18 communities; and



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

7 The purpose of this Act is to improve Hawaii's charter
8 school system by adopting many of the priority proposals
9 developed by the task force on charter school governance
10 established by Act 87, Session Laws of Hawaii 2005, including:

11 (1) Providing consistency and clarity for statutes
12 relating to the charter schools by recodifying and
13 reorganizing the statutes into a new chapter that
14 authorizes the establishment of a charter school
15 system and sets forth standards for the governance,
16 administration, support, financing, autonomy, and
17 accountability of charter schools, including start-up
18 charter schools and conversion charter schools;

19 (2) Renaming new century charter schools and new century
20 conversion charter schools as "start-up charter
21 schools" and "conversion charter schools",
22 respectively;

- 1 (3) Clarifying that conversion charter schools fall under
2 the category of "charter schools" but distinguishing
3 between the procedures for establishing start-up
4 charter schools and conversion charter schools by
5 creating separate sections for each;
- 6 (4) Clarifying the charter authorizer role;
- 7 (5) Expanding the charter school review panel's membership
8 and duties;
- 9 (6) Setting minimum and maximum limits on the amount a
10 nonprofit organization can contribute annually per
11 pupil, toward the operation of a conversion charter
12 school;
- 13 (7) Clarifying and enhancing the powers and duties of the
14 charter school administrative office and its executive
15 director;
- 16 (8) Empowering the local school boards of the charter
17 schools to negotiate memorandums of agreement of
18 supplemental collective bargaining agreements with the
19 exclusive representatives of their employees;
- 20 (9) Allowing civil service employees of a conversion
21 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 **PUBLIC CHARTER SCHOOLS**

10 **§302B-1 Definitions.** Whenever used in this chapter,
11 unless the context otherwise requires:

12 "Board" means the board of education.

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

20 "Charter school review panel" or "panel" means the panel
21 established pursuant to section 302B-3 with the powers and
22 duties to advise and make recommendations to the board regarding



1 issuance and revocation of charters, detailed implementation
2 plan revisions, and charter school evaluations.

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 funded and governed independently and may include
14 part of a separate Hawaiian language immersion program
15 using existing public school facilities.

16 "Department" means the department of education.

17 "Detailed implementation plan" means the document that
18 details the charter school's purpose, focus, operations,
19 organization, finances, and accountability, and becomes the
20 basis for a performance contract between the board and the
21 charter school.



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, and the independent authority to
7 determine the organization and management of the school, the
8 curriculum, virtual education, and compliance with applicable
9 federal and state laws, and that has the power to negotiate
10 supplemental collective bargaining agreements with exclusive
11 representatives of their employees.

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

- 14 (1) Is recognized as a tax-exempt organization under
15 Section 501(c)(3) of the Internal Revenue Code of
16 1986, as amended; and
- 17 (2) Is domiciled in this state.

18 "Office" means the charter school administrative office.

19 "Organizational viability" means that a charter school:

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

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



1 (11) Complies with all board directives, policies, and
2 procedures.

3 "Start-up charter school" means a new school established
4 under section 302B-5.

5 **§302B-2 Existing charter schools.** Any charter school
6 holding a charter to operate under part IV, subpart D, of
7 chapter 302A, as that subpart existed before the effective date
8 of this Act shall be considered a charter school for the
9 purposes of this chapter.

10 **§302B-3 Charter school review panel; establishment; powers**
11 **and duties.** (a) There is established the charter school review
12 panel, which shall be placed within the department for
13 administrative purposes only. The panel shall be accountable to
14 and report to the board.

15 (b) The panel shall consist of nine members, and shall
16 include:

17 (1) Two licensed teachers regularly engaged in teaching;
18 provided that one teacher is employed at a start-up
19 charter school, and one teacher is employed at a
20 conversion charter school;

21 (2) Two educational officers; provided that one
22 educational officer is employed at a start-up charter



1 school, and one educational officer is employed at a
2 conversion charter school;

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

5 (4) The chair of the board of education or the chair's
6 designee;

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

9 (6) A representative of Hawaiian culture-focused schools;
10 and

11 (7) A representative of the University of Hawaii.

12 (c) The board shall appoint the remaining members of the
13 panel other than the chair of the board and the executive
14 director.

15 (d) Appointed panel members shall serve not more than
16 three consecutive three-year terms, with each term beginning on
17 July 1; provided that the initial terms of the appointed members
18 that commence after June 30, 2006, shall be staggered as
19 follows:

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

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

22 (3) Two members to serve a one-year term.



1 (e) Notwithstanding the terms of members, the board may
2 add panel members at any time and replace panel members at any
3 time when their positions become vacant through resignation,
4 non-participation, or upon request of a majority of panel
5 members.

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

14 (g) The panel shall establish operating procedures that
15 shall include conflict of interest provisions for any member
16 whose school of employment or local school board membership is
17 before the panel.

18 (h) The chair of the panel shall be designated by the
19 members of the panel for each school year beginning July 1 and
20 whenever there is a vacancy. If the panel does not designate
21 its chair for the next school year by July 1, the board shall
22 designate the panel chair. When the panel chair is vacant, the



1 board shall designate an interim chair to serve until the panel
2 designates its chair.

3 (i) The powers and duties of the panel shall be to:

4 (1) Review charter applications for new charter schools in
5 accordance with sections 302B-5 and 302B-6 and make
6 recommendations to the board for the issuance of new
7 charters; provided that if the board does not issue or
8 deny the charter within sixty calendar days of the
9 board's receipt of the recommendations, the
10 recommendations shall automatically become effective;

11 (2) Review significant amendments to detailed
12 implementation plans to maximize the school's
13 financial and academic success, long-term
14 organizational viability, and accountability, and make
15 recommendations to the board; provided that if the
16 board does not approve or deny the amendments within
17 sixty calendar days of receipt of the recommendations,
18 the recommendations shall automatically become
19 effective;

20 (3) Recommend to the board reporting requirements for
21 charter schools;



- 1 (4) Review annual self-evaluation reports from charter
2 schools and make recommendations to the board;
- 3 (5) As directed by the board, evaluate any aspect of a
4 charter school that the board may have concerns with
5 and make recommendations to the board, which may
6 include probation or revocation; provided that if the
7 board does not take action on the recommendations
8 within sixty calendar days, the recommendations shall
9 automatically become effective;
- 10 (6) Periodically recommend to the board improvements in
11 the board's monitoring and oversight of charter
12 schools;
- 13 (7) Periodically recommend to the board improvements in
14 the office's support of charter schools and management
15 of the charter school system;
- 16 (j) In the case that the Panel decides not to recommend
17 the issuance of a new charter, or to recommend significant
18 amendments to detailed implementation plans, the board shall
19 adopt rules for an appeals process.
- 20 (k) The board shall provide for the staff support and
21 expenses of the panel. The board shall submit to the



1 legislature annual appropriation requests to fund the operations
2 of the panel.

3 (1) The panel shall be exempt from chapter 92.

4 **§302B-4 Limits on charter schools.** Beginning July 2007,
5 the board, with the recommendation of the panel, may authorize
6 one new start-up charter school for each existing start-up
7 charter school that has received a three-year or longer
8 accreditation from the Western Association of Schools and
9 Colleges or a comparable accreditation authority as determined
10 by the panel, or for each start-up charter school whose charter
11 is revoked. The total number of conversion charter schools
12 authorized by the board, with the recommendation of the panel,
13 shall not exceed twenty-five.

14 **§302B-5 Start-up charter schools; establishment.** (a) New
15 start-up charter schools may be established pursuant to this
16 section.

17 (b) Any community, group of teachers, group of teachers
18 and administrators, or nonprofit organization may submit a
19 letter of intent to the office to form a charter school,
20 establish an interim local school board as its governing body,
21 and develop a detailed implementation plan pursuant to
22 subsection (d).



1 (c) The start-up charter school application process and
2 schedule shall be determined by the board, and shall provide for
3 and include the following elements:

4 (1) The submission of a letter of intent to operate a
5 start-up charter school;

6 (2) The timely transmittal of the application form and
7 completion guidelines to the interim local school
8 board;

9 (3) The timely submission to the board of a completed
10 application;

11 (4) The timely review of the application by the panel for
12 completeness, and notification of the interim local
13 school board if the application is complete or, if the
14 application is insufficient, a written statement of
15 the elements of the application that require
16 completion;

17 (5) The timely resubmission of the application;

18 (6) Upon receipt of a completed application, the convening
19 of the panel by the panel chairperson to begin review
20 of the application;



- 1 (7) The timely notification of the applicant of any
- 2 revisions the panel requests as necessary for a
- 3 recommendation of approval to the board;
- 4 (8) The timely transmission of the panel's recommendation
- 5 to the board for adjudication;
- 6 (9) Following the submission of an application, issuance
- 7 of a charter or denial of the application by the board
- 8 by majority vote; provided that if the board does not
- 9 approve the application and issue a charter,
- 10 provisions requiring the board to:
- 11 (A) Clearly identify in writing its reasons for not
- 12 issuing the charter, which may be used as
- 13 guidelines for an amended plan; and
- 14 (B) Allow the local school board to revise its plan
- 15 in accordance with the board's guidelines, and
- 16 resubmit an amended plan within ten calendar
- 17 days;
- 18 (10) A provision for a final date on which a decision must
- 19 be made, upon receipt of an amended plan;
- 20 (11) A provision that no start-up charter school may begin
- 21 operation before obtaining board approval of its
- 22 charter; and

1 (12) A requirement that upon approval of the start-up
2 charter school, the office shall submit to the board a
3 proposed budget for funding of the start-up school for
4 submittal to the governor and legislature.

5 (d) An application to become a start-up charter school
6 shall include a detailed implementation plan that meets the
7 requirements of this subsection and section 302B-9. The plan
8 shall include the following:

9 (1) A description of employee rights and management issues
10 and a framework for addressing those issues that
11 protects the rights of employees;

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

14 (3) A plan for identifying, recruiting, and selecting
15 students that is not exclusive, elitist, or
16 segregationist;

17 (4) The curriculum and instructional framework to be used
18 to achieve student outcomes, including an assessment
19 plan;

20 (5) A plan for the assessment of student, administrative
21 support, and teaching personnel performance that:

22 (A) Recognizes the interests of the general public;

1 (B) Incorporates or exceeds the educational content
2 and performance standards developed by the
3 department for the public school system;

4 (C) Includes a system of faculty and staff
5 accountability that holds faculty and staff both
6 individually and collectively accountable for
7 their performance, and that is at least
8 equivalent to the average system of
9 accountability in public schools throughout the
10 state; and

11 (D) Provides for program audits and annual financial
12 audits;

13 (6) A governance structure for the charter school that
14 incorporates a conflict of interest policy and a plan
15 for periodic training to carry out the duties of local
16 school board members;

17 (7) A financial plan based on the most recent fiscal
18 year's per-pupil charter school allocation that
19 demonstrates the ability to meet the financial
20 obligations of one-time, start-up costs and ongoing
21 costs such as monthly payrolls, faculty recruitment,
22 professional development, and facilities costs; and



1 (8) A facilities plan.

2 **§302B-6 Conversion charter schools; establishment.** (a) A
3 conversion charter school may be established pursuant to this
4 section.

5 (b) Any department school, school community council, group
6 of teachers, group of teachers and administrators, or nonprofit
7 organization may submit a letter of intent to the office to
8 convert a department school to a charter school, establish an
9 interim local school board as its governing body, and develop a
10 detailed implementation plan pursuant to subsection (d).

11 (c) The conversion charter school application process and
12 schedule shall be determined by the board, and shall provide for
13 and include the following elements:

14 (1) The submission of a letter of intent to convert to a
15 charter school;

16 (2) The timely transmittal of the application form and
17 completion guidelines to the interim local school
18 board;

19 (3) The timely submission to the board of a completed
20 application; provided that the application shall
21 include certification and documentation that the
22 application and the proposed detailed implementation



- 1 plan was approved by a majority of the votes cast by
2 existing administrative, support, teaching personnel,
3 and parents of students at the proposed conversion
4 charter school;
- 5 (4) The timely review of the application by the panel for
6 completeness, and notification of the interim local
7 school board if the application is complete or, if the
8 application is insufficient, a written statement of
9 the elements of the application that require
10 completion;
- 11 (5) The timely resubmission of the application;
- 12 (6) Upon receipt of a completed application, the convening
13 of the panel by the panel chairperson to begin review
14 of the application;
- 15 (7) The timely notification of the applicant of any
16 revisions the panel may request as necessary for a
17 recommendation of approval to the board;
- 18 (8) The timely transmission of the panel's recommendation
19 to the board for adjudication;
- 20 (9) Following the submission of an application, issuance
21 of a charter or denial of the application by the board
22 by majority vote; provided that if the board does not

1 approve the application and issue a charter,
2 provisions requiring the board to:

3 (A) Clearly identify in writing its reasons for not
4 issuing the charter, which may be used as
5 guidelines for an amended plan; and

6 (B) Allow the local school board to revise its plan
7 in accordance with the board's guidelines, and
8 resubmit an amended plan within ten calendar
9 days;

10 (10) A provision for a final date on which a decision must
11 be made upon receipt of an amended plan;

12 (11) A provision that no conversion charter school may
13 begin operation before obtaining board approval of its
14 charter; and

15 (12) A requirement that upon approval of the conversion
16 charter school, the office shall submit to the board a
17 proposed budget for funding of the start-up school for
18 submittal to the governor and legislature.

19 (d) An application to become a conversion charter school
20 shall include a detailed implementation plan that meets the
21 requirements of this subsection and section 302B-9. The plan
22 shall include the 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 plan for the assessment of student, administrative
- 13 support, and teaching personnel performance that:
- 14 (A) Recognizes the interests of the general public;
- 15 (B) Incorporates or exceeds the educational content
- 16 and performance standards developed by the
- 17 department for the public school system;
- 18 (C) Includes a system of faculty and staff
- 19 accountability that holds faculty and staff both
- 20 individually and collectively accountable for
- 21 their performance, and that is at least
- 22 equivalent to the average system of

1 accountability in public schools throughout the
2 state; and

3 (D) Provides for program audits and annual financial
4 audits;

5 (6) A governance structure for the charter school that
6 incorporates a conflict of interest policy and a plan
7 for periodic training to carry out the duties of local
8 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 facilities plan.

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

21 (1) As the governing body of the conversion charter
22 school, the local school board shall be composed of

1 the board of directors of the nonprofit organization
2 and not representatives of the participant groups
3 specified in section 302B-7. The nonprofit
4 organization may also appoint advisory groups of
5 community representatives for each school managed by
6 the nonprofit organization; provided that these groups
7 shall not have governing authority over the school and
8 shall serve only in an advisory capacity to the
9 nonprofit organization;

10 (2) The detailed implementation plan for each conversion
11 charter school to be operated by the nonprofit
12 organization shall be formulated, developed, and
13 submitted by the nonprofit organization, and shall be
14 approved by a majority of the votes cast by existing
15 administrative, support, and teaching personnel, and
16 parents of the students of the proposed conversion
17 charter school;

18 (3) The board of directors of the nonprofit organization,
19 as the governing body for the conversion charter
20 school that it operates and manages, shall have the
21 same protections that are afforded to the board in its
22 role as the conversion charter school governing body;



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

13 (A) \$1,500 for school years 2006-2007 through
14 2010-11;

15 (B) \$1,650 for school years 2011-2012 through
16 2015-2016; and

17 (C) \$1,815 for school years 2016-2017 through
18 2020-2021;

19 and

20 (5) If, at any time, the board of directors of the
21 nonprofit organization governing the conversion
22 charter school votes to discontinue its relationship



1 with the charter school, the charter school may submit
2 an application with a revised detailed implementation
3 plan to the panel to continue as a conversion school
4 without the participation of the nonprofit
5 organization.

6 (f) Any nonprofit organization that seeks to manage or
7 operate a conversion charter school as provided in subsection
8 (e) shall comply with the following at the time of application:

9 (1) Have bylaws or policies that describe the manner in
10 which business is conducted and policies that relate
11 to the management of potential conflict of interest
12 situations;

13 (2) Have experience in the management and operation of
14 public or private schools or, to the extent necessary,
15 agree to obtain appropriate services from another
16 entity or entities possessing such experience;

17 (3) Comply with all applicable federal, state, and county
18 laws, including licensure or accreditation, as
19 applicable; and

20 (4) Comply with any other requirements prescribed by the
21 department to ensure adherence with applicable



1 federal, state, and county laws, and the purposes of
2 this chapter.

3 (g) Any public school or schools, programs, or sections of
4 existing public school populations that are part of a separate
5 Hawaiian language immersion program using existing public school
6 facilities may submit a letter of intent to the office to form a
7 conversion charter school pursuant to this section.

8 (h) In the event of a conflict between the provisions in
9 this section and other provisions in this chapter, this section
10 shall control.

11 **§302B-7 Charter school local school boards; powers and**

12 **duties.** (a) All local school boards, with the exception of
13 those of conversion charter schools that are managed and
14 operated by a nonprofit organization pursuant to section
15 302B-6(e), shall be composed of, at a minimum, one
16 representative from each of the following participant groups:

- 17 (1) Principals;
- 18 (2) Instructional staff members selected by the school
19 instructional staff;
- 20 (3) Support staff selected by the support staff of the
21 school;



1 (4) Parents of students attending the school selected by
2 the parents of the school;

3 (5) Student body representatives selected by the students
4 of the school; and

5 (6) The community at large.

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

9 (c) The local school board shall be the autonomous
10 governing body of its charter school and shall be responsible
11 for the financial and academic viability of the charter school,
12 implementation of the charter, and the independent authority to
13 determine the organization and management of the school, the
14 curriculum, virtual education, and compliance with applicable
15 federal and state laws. The local school board shall have the
16 power to negotiate supplemental collective bargaining agreements
17 with the exclusive representatives of their employees.

18 (d) Local school boards shall be exempt from chapter 103D,
19 but shall develop internal policies and procedures for the
20 procurement of goods, services, and construction, consistent
21 with the goals of public accountability and public procurement
22 practices. Charter schools are encouraged to use the provisions



1 of chapter 103D wherever possible; provided that the use of one
2 or more provisions of chapter 103D shall not constitute a waiver
3 of the exemption from chapter 103D and shall not subject the
4 charter school to any other provision of chapter 103D.

5 (e) Charter schools and their local school boards shall be
6 exempt from the requirements of chapters 91 and 92. The local
7 school boards shall:

8 (1) Make available the notices and agendas of public
9 meetings:

10 (A) At a publicly accessible area in the local school
11 board's office or the charter school
12 administrative office so as to be available for
13 review during regular business hours;

14 (B) On the local school board's or charter school's
15 Internet web site not less than six calendar days
16 prior to the public meeting, unless a waiver is
17 granted by the executive director in the case of
18 an emergency; and

19 (2) Make available the minutes from public meetings on a
20 timely basis in:

21 (A) The local school board's office or the charter
22 school administrative office so as to be

1 available for review during regular business

2 hours; and

3 (B) On the local school board's or charter school's
4 Internet web site.

5 (f) The State shall afford the local school board of any
6 charter school the same protections as the State affords the
7 board.

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

20 (b) The executive director, under the direction of the
21 board and in consultation with the charter schools, shall be



- 1 responsible for the internal organization, operation, and
2 management of the charter school system, including:
- 3 (1) Preparing and executing the budget for the charter
4 schools, including submission of the budget request to
5 the board, the governor, and the legislature;
 - 6 (2) Allocating annual appropriations to the charter
7 schools and distribution of federal funds to charter
8 schools;
 - 9 (3) Complying with applicable state laws related to the
10 administration of the charter schools;
 - 11 (4) Preparing contracts between the charter schools and
12 the department for centralized services to be provided
13 by the department;
 - 14 (5) Preparing contracts between the charter schools and
15 other state agencies for financial or personnel
16 services to be provided by the agencies to the charter
17 schools;
 - 18 (6) Providing independent analysis and recommendations on
19 charter school issues;
 - 20 (7) Representing charter schools and the charter school
21 system in communications with the board, the governor,
22 and the legislature;



- 1 (8) Providing advocacy, assistance, and support for the
2 development, growth, progress, and success of charter
3 schools and the charter school system;
- 4 (9) Providing guidance and assistance to charter
5 applicants and charter schools to enhance the
6 completeness and accuracy of information for board
7 review;
- 8 (10) Assisting charter applicants and charter schools in
9 coordinating their interactions with the board as
10 needed;
- 11 (11) Assisting the board to coordinate with charter schools
12 in board investigations and evaluations of charter
13 schools;
- 14 (12) Serving as the conduit to disseminate communications
15 from the board and department to all charter schools;
- 16 (13) Determining charter school system needs and
17 communicating such needs with the board and
18 department;
- 19 (14) Establishing a dispute resolution and mediation panel;
20 and
- 21 (15) 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 by
4 the board.

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

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

13 (1) Vacation and sick leave accrued by employees
14 transferring to a charter school from another state
15 agency or department;

16 (2) Substitute teachers needed when a teacher is out on
17 vacation or sick leave;

18 (3) Adjustments to enrollments; and

19 (4) Arbitration in the grievance process.

20 (f) The office shall withhold funds for charter school
21 enrollments that are inconsistent with approved detailed
22 implementation plans.



1 (g) The office shall withhold funds to repay overpayments
2 or over-allocations received by charter schools when not repaid
3 in a timely manner in accordance with rules adopted by the
4 board.

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

8 **§302B-9 Exemptions from state laws.** (a) Charter schools
9 shall be exempt from chapters 91 and 92 and all other state laws
10 in conflict with this chapter, except those regarding:

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

12 (A) The exclusive representatives as defined in
13 chapter 89 and the local school board of the
14 charter school may enter into supplemental
15 agreements that contain cost and noncost items to
16 facilitate decentralized decision-making;

17 (B) The agreements shall be funded from the current
18 allocation or other sources of revenue received
19 by the charter school; provided that collective
20 bargaining increases for employees shall be
21 allocated by the department of budget and finance



1 to the charter school administrative office for
2 distribution to charter schools; and

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

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

6 (3) Health and safety requirements.

7 (b) Charter schools and the office shall be exempt from
8 chapter 103D, but shall develop internal policies and procedures
9 for the procurement of goods, services, and construction,
10 consistent with the goals of public accountability and public
11 procurement practices. Charter schools and the office are
12 encouraged to use the provisions of chapter 103D where possible;
13 provided that the use of one or more provisions of chapter 103D
14 shall not constitute a waiver of the exemption from chapter 103D
15 and shall not subject the charter school or the office to any
16 other provision of chapter 103D. Charter schools and the office
17 shall account for funds expended for the procurement of goods
18 and services, and this accounting shall be available to the
19 public.

20 (c) Any charter school, prior to the beginning of the
21 school year, may enter into an annual contract with any

1 department for centralized services to be provided by that
2 department.

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

7 **§302B-10 Civil service status; employee rights.** (a)
8 Civil service employees of department schools shall retain their
9 civil service status upon the conversion of their school to a
10 conversion charter school. Positions in a conversion charter
11 school that would be civil service in a department public school
12 shall be civil service positions and subject to chapter 76. An
13 employee with civil service status at a conversion charter
14 school who transfers, is promoted, or takes a voluntary demotion
15 to another civil service position shall be entitled to all of
16 the rights, privileges, and benefits of continuous,
17 uninterrupted civil service. Civil service employees of a
18 conversion charter school shall have civil service status in the
19 department's civil service system and shall be entitled to all
20 rights, privileges, and benefits as other civil service
21 employees employed by the department. Exempt employees as
22 provided in section 76-16(b)(11)(B) of a conversion charter



1 school shall have support services personnel status in the
2 department's support services personnel system and shall be
3 entitled to all rights, privileges, and benefits as other exempt
4 employees employed by the department in their support services
5 personnel system.

6 (b) The State shall afford administrative, support, and
7 instructional employees in charter schools full participation in
8 the State's systems for retirement, workers' compensation,
9 unemployment insurance, temporary disability insurance, and
10 health benefits in accordance with the qualification
11 requirements for each.

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

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

18 (1) Comparable and verifiable professional development and
19 employee evaluation standards and practices, as
20 determined and certified by the office, are in place
21 in charter schools for instructional staff;



1 (2) Licensed charter school teachers, as determined by the
2 Hawaii teacher standards board, who are not yet
3 tenured in the department and are entering or
4 returning to the department after full-time employment
5 of no less than one full school year at a charter
6 school, shall be subject to no more than one year of
7 probationary status; and

8 (3) Tenured department licensed teachers, as determined by
9 the department, who transfer to charter schools shall
10 not be required to serve a probationary period.

11 **§302B-11 Administration of workers' compensation.** The
12 department of human resources development shall administer
13 workers' compensation claims for employees of charter schools,
14 who shall be covered by the same self-insured workers'
15 compensation system as other public employees. The department
16 of human resources development shall process, investigate, and
17 make payments on claims; provided that:

18 (1) Charter schools shall compile the preliminary claim
19 form and forward it to the department of human
20 resources development; and

21 (2) The department of human resources development shall
22 receive no more than 0.07 per cent of the EDN 600



1 appropriation to process these workers' compensation
2 claims.

3 **§302B-12 Funding and finance.** (a) Beginning with fiscal
4 year 2006-2007, and each fiscal year thereafter, the office
5 shall submit a request for general fund appropriations for each
6 charter school based upon:

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

9 (2) A per-pupil amount for each regular education and
10 special education student, which shall be equivalent
11 to the total per-pupil cost based upon average
12 enrollment in all regular education cost categories,
13 including comprehensive school support services but
14 excluding special education services, and for all
15 means of financing except federal funds, as reported
16 in the most recently published department consolidated
17 annual financial report; provided that the legislature
18 may make an adjustment to the per-pupil allocation for
19 the purposes of this section; and

20 (3) Those fringe benefit costs requested shall be included
21 in the department of budget and finance's annual
22 budget request. No fringe benefit costs shall be



1 charged directly to or deducted from the charter
2 school per-pupil allocations unless they are already
3 included in the funds distributed to the charter
4 school.

5 The legislature shall make an appropriation based upon the
6 budget request; provided that the legislature may make
7 additional appropriations for fringe, workers' compensation, and
8 other employee benefits, facility costs, and other requested
9 amounts.

10 The governor, pursuant to chapter 37, may impose
11 restrictions or reductions on charter school appropriations
12 similar to those imposed on other public schools.

13 (b) Charter schools shall be eligible for all federal
14 financial support to the same extent as all other public
15 schools. The department shall provide the office with all
16 federal grant proposals that include charter schools as
17 potential recipients and timely reports on federal grants
18 received for which charter schools may apply. Federal funds
19 received by the department for charter schools shall be
20 transferred to the office for distribution to charter schools in
21 accordance with the federal requirements. If administrative
22 services related to federal grants and subsidies are provided to



1 the charter school by the department, the charter school shall
2 reimburse the department for the actual costs of the
3 administrative services in an amount that shall not exceed six
4 and one-half per cent of the charter school's federal grants and
5 subsidies.

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

17 All additional funds generated by the local school boards,
18 that are not from a supplemental grant, shall be held separate
19 from allotted funds and may be expended at the discretion of the
20 local school boards.

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

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

10 (2) Provide an additional forty per cent of a charter
11 school's per-pupil allocation no later than November
12 15 of each year; provided that the charter school
13 shall submit to the office:

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

19 (B) An accounting of the percentage of student
20 enrollment that transferred from public schools
21 established and maintained by the department;
22 provided that these accountings shall also be

1 submitted by the office to the legislature no
2 later than twenty days prior to the start of each
3 regular session;

4 and

5 (3) The remaining ten per cent per-pupil allocation of a
6 charter school no later than January 1 of each year as
7 a contingency balance to ensure fiscal accountability;
8 provided that the board may make adjustments in allocations
9 based on noncompliance with office administrative procedures and
10 board-approved accountability requirements.

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

15 (e) No start-up charter school or conversion charter
16 school may assess tuition.

17 **§302B-13 Weighted student formula.** (a) Notwithstanding
18 section 302B-11 and beginning September 1, 2006, charter schools
19 shall elect whether to receive allocations according to the
20 department's weighted student formula adopted pursuant to
21 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; provided
6 that the nonprofit that governs more than one
7 conversion charter school may cast one vote
8 representing each school it governs;
- 9 (2) Any election by charter schools to receive department
10 allocations, or not to receive allocations, through
11 the department's weighted student formula shall be
12 made by September 1 of each even-numbered year, and
13 the election shall apply to the fiscal biennium
14 beginning July 1 of the following year; provided that
15 the appropriate funds shall be transferred by the
16 department to the charter school administrative office
17 for distribution to the charter schools; and
- 18 (3) The election to receive allocations, or not to receive
19 allocations, through the department's weighted student
20 formula shall be communicated to the department
21 through the office.



1 (b) The charter schools, through the office, may propose
2 to the board an alternative weighted student formula, approved
3 of by more than two-thirds of the local school boards, with each
4 local school board being accorded one vote, to be administered
5 by the office and to apply to the per-pupil allocation for
6 charter schools.

7 **§302B-14 Accountability; probationary status; revocation**
8 **of charter.** (a) Every charter school shall conduct annual
9 self-evaluations that shall be submitted to the board within
10 sixty working days after the completion of the school year. The
11 self-evaluation process shall include but not be limited to:

- 12 (1) The identification and adoption of benchmarks to
13 measure and evaluate administrative and instructional
14 programs;
- 15 (2) The identification of any innovations or research that
16 may assist other public schools;
- 17 (3) The identification of any administrative and legal
18 barriers to meeting the adopted benchmarks, and
19 recommendations for improvements and modifications to
20 address the barriers;
- 21 (4) An evaluation of student achievement within the
22 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 board shall conduct multi-year evaluations of
7 charter schools that have been chartered for four or more years.
8 The board shall adopt rules pursuant to chapter 91 for its
9 evaluations.

10 (c) The board may conduct special evaluations of charter
11 schools at any time.

12 (d) The board may place a charter school on probationary
13 status; provided that:

14 (1) The panel evaluates the charter school or reviews an
15 evaluation of the charter school and makes
16 recommendations to the board;

17 (2) The board and the office are involved in substantive
18 discussions with the charter school regarding the
19 areas of deficiencies;

20 (3) The notice of probation is delivered to the charter
21 school and specifies the deficiencies requiring

1 correction, the probation period, and monitoring and
2 reporting requirements;

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

6 (5) For deficiencies related to financial plans, a charter
7 school shall be allowed one year to develop a sound
8 financial plan.

9 The charter school shall remain on probationary status
10 until the board votes to either remove the charter school from
11 probationary status or revoke its charter.

12 (e) If a charter school fails to resolve deficiencies by
13 the end of the probation period, the board may revoke the
14 charter; provided that the vote of two-thirds of all the members
15 to which the board is entitled shall be required to revoke the
16 charter.

17 (f) The board may place a charter school on probationary
18 status or revoke the charter for serious student or employee
19 health or safety deficiencies; provided that:

20 (1) The charter school is given notice of specific health
21 or safety deficiencies and is afforded an opportunity
22 to present its case to the board;

- 1 (2) The board chair appoints a task group, which may be an
2 investigative task group, the panel, or the office, to
3 visit the charter school and conduct meetings with its
4 local school board and its school community to gather
5 input;
- 6 (3) Based on its findings, the task group shall recommend
7 to the board to revoke the charter, place the charter
8 school on probation, or continue the charter;
- 9 (4) The vote of two-thirds of all the members to which the
10 board is entitled shall be required to revoke the
11 charter;
- 12 (5) The best interest of the school's students guide all
13 decisions; and
- 14 (6) After a decision to revoke a charter, the charter
15 school shall be allowed to remain open until a plan
16 for an orderly shut-down or transfer of students and
17 assets is developed and executed, or until the school
18 year ends, whichever comes first.
- 19 (g) If there is an immediate concern for student or
20 employee health or safety at a charter school, the board, in
21 consultation with the office, may adopt an interim restructuring
22 plan that may include the appointment of an interim local school



1 board, an interim local school board chairperson, or a principal
2 to temporarily assume operations of the school; provided that if
3 possible without further jeopardizing the health or safety of
4 students and employees, the charter school's stakeholders and
5 community are first given the opportunity to elect a new local
6 school board which shall appoint a new interim principal.

7 (h) The board shall adopt rules pursuant to chapter 91 for
8 placing charter schools on probation and for revoking a charter.

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

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



1 contract with a charter school to provide these services, which
2 shall be re-negotiated on an annual basis.

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

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



1 unit as specified in section 89-6; provided that if a charter
2 school employee's job description contains the duties and
3 responsibilities of an employee that could be assigned to more
4 than one bargaining unit, the duties and responsibilities that
5 are performed by the employee for the majority of the time,
6 based on the employee's average workweek, shall be the basis of
7 bargaining unit assignment for the employee.

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

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

18 (d) Negotiations over matters covered by this section
19 shall be conducted between the employer and exclusive
20 representative pursuant to this chapter. Cost items that are
21 appropriated for and approved by the legislature and contained
22 in a collective bargaining agreement, memorandum of agreement,



1 or supplemental agreement covering, wholly or partially,
 2 employees in charter schools shall be allocated by the
 3 department of budget and finance to the charter school
 4 administrative office for distribution to charter schools.
 5 However, if the charter school administrative office deems it
 6 appropriate, the cost items may be funded from a charter
 7 school's existing allocation or other sources of revenue
 8 received by a charter school."

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

11 "(a) For purposes of this section, "member" means any
 12 person who is appointed, in accordance with the law, to serve on
 13 a temporary or permanent state board, including members of the
 14 local school board of any [~~new century~~] charter school
 15 [~~established under section 302A-1182 or new century conversion~~
 16 ~~charter school~~] established under [~~section 302A-1191,~~] chapter
 17 302B, council, authority, committee, or commission, established
 18 by law or elected to the board of education or the board of
 19 trustees of the employees' retirement system under section
 20 88-24; provided that "member" shall not include any person
 21 elected to serve on a board or commission in accordance with

1 chapter 11 other than a person elected to serve on the board of
2 education."

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

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

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

- 1 (6) Part-time employee working less than twenty hours per
- 2 week, except part-time employees included in
- 3 bargaining unit (5);
- 4 (7) Temporary employee of three months' duration or less;
- 5 (8) Employee of the executive office of the governor or a
- 6 household employee at Washington Place;
- 7 (9) Employee of the executive office of the lieutenant
- 8 governor;
- 9 (10) Employee of the executive office of the mayor;
- 10 (11) Staff of the legislative branch of the State;
- 11 (12) Staff of the legislative branches of the counties,
- 12 except employees of the clerks' offices of the
- 13 counties;
- 14 (13) Any commissioned and enlisted personnel of the Hawaii
- 15 national guard;
- 16 (14) Inmate, kokua, patient, ward, or student of a state
- 17 institution;
- 18 (15) Student help;
- 19 (16) Staff of the Hawaii labor relations board;
- 20 (17) Employee of the Hawaii national guard youth challenge
- 21 academy; or
- 22 (18) Employees of the office of elections."

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

3 1. By adding three new definitions to be appropriately
4 inserted and to read:

5 "Charter school administrative office" or "office" means
6 the office established in section 302B-8 responsible for the
7 internal organization, operation, and management of the charter
8 school system.

9 "Charter school review panel" or "panel" means the panel
10 established in section 302B-3 with the powers and duties to make
11 recommendations to the board regarding charter schools.

12 "Charter schools" means public schools holding charters to
13 operate as charter schools under chapter 302B, including start-
14 up and conversion charter schools, that have the flexibility to
15 implement alternative frameworks with regard to curriculum,
16 facilities management, instructional approach, length of the
17 school day, week, or year, and personnel management."

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

19 "Public schools" means all academic and noncollege type
20 schools established and maintained by the department and [new
21 century] charter schools chartered by the board of education, in
22 accordance with law."



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

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

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

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

13 (1) Attendance shall not be mandatory; and

14 (2) [~~New century charter~~] Charter schools [~~and new century~~
15 ~~conversion charter schools~~] shall be excluded from
16 mandatory participation in the program."

17 SECTION 10. Section 302A-1101, Hawaii Revised Statutes, is
18 amended to read as follows:

19 "**§302A-1101 Department of education; board of education;**

20 **superintendent of education.** (a) There shall be a principal
21 executive department to be known as the department of education,
22 which shall be headed by an elected policy-making board to be



1 known as the board of education. The board shall have power in
2 accordance with law to formulate statewide educational policy,
3 adopt student performance standards and assessment models,
4 monitor school success, and to appoint the superintendent of
5 education as the chief executive officer of the public school
6 system.

7 (b) The board shall appoint, and may remove, the
8 superintendent by a majority vote of its members. The
9 superintendent:

- 10 (1) May be appointed without regard to the state residency
- 11 provisions of section 78-1(b);
- 12 (2) May be appointed for a term of up to four years; and
- 13 (3) May be terminated only for cause.

14 (c) The board shall invite the senior military commander
15 in Hawaii to appoint a nonvoting military representative to the
16 board, who shall serve for a two-year term without compensation.
17 As the liaison to the board, the military representative shall
18 advise the board regarding state education policies and
19 departmental actions affecting students who are enrolled in
20 public schools as family members of military personnel. The
21 military representative shall carry out these duties as part of
22 the representative's official military duties and shall be

1 guided by applicable state and federal statutes, regulations,
2 and policies and may be removed only for cause by a majority
3 vote of the members of the board.

4 (d) The board shall serve as the charter authorizer for
5 charter schools, with the power and duty to issue charters,
6 oversee and monitor charter schools, hold charter schools
7 accountable for their performance, and revoke charters."

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

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

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

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



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

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

6 SECTION 12. Section 302A-1302, Hawaii Revised Statutes, is
7 amended to read as follows:

8 **"§302A-1302 School-based budget flexibility. (a)**

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

16 (b) Beginning in fiscal year [~~2004-2005,~~] 2006-2007, and
17 every year thereafter, the [~~charter school administrative~~]
18 office shall distribute the allocations due to a [~~new century~~]
19 charter school [~~or new century conversion charter school~~
20 ~~pursuant to sections 302A-1185 and 302A-1191,~~] directly to the
21 [~~new century~~] charter school [~~or new century conversion charter~~
22 ~~school~~]."

1 SECTION 13. Section 302A-1303.6, Hawaii Revised Statutes,
2 is amended to read as follows:

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

17 SECTION 14. Section 302A-1505, Hawaii Revised Statutes, is
18 amended by amending subsection (b) to read as follows:

19 "(b) Prior to informing the department about the school's
20 repair and maintenance needs, the school's principal shall
21 consider the recommendations made by the school community



1 council or the local school board, if the school is a [~~new~~
2 ~~century conversion~~] charter school."

3 SECTION 15. Section 302A-1507, Hawaii Revised Statutes, is
4 amended by amending subsection (a) to read as follows:

5 "(a) There is established a classroom cleaning project in
6 all public schools, excluding [~~new century~~] charter schools [~~and~~
7 ~~new century conversion charter schools~~]. Each school, through
8 its school community council, may develop mechanisms to provide
9 for classroom cleaning, including but not limited to having
10 parent, student, or other community groups clean the classrooms
11 on a regular, continuing basis."

12 SECTION 16. Section 707-711, Hawaii Revised Statutes, is
13 amended to read as follows:

14 **§707-711 Assault in the second degree.** (1) A person
15 commits the offense of assault in the second degree if:

16 (a) The person intentionally or knowingly causes
17 substantial bodily injury to another;

18 (b) The person recklessly causes serious bodily injury to
19 another person;

20 (c) The person intentionally or knowingly causes bodily
21 injury to a correctional worker, as defined in section



1 and the department of education to further the ability of the
2 State's charter schools to act independently of the department
3 of education and the public schools that the department
4 establishes and operates.

5 SECTION 18. Section 302A-301, Hawaii Revised Statutes, is
6 amended by amending subsection (a) to read as follows:

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

16 SECTION 19. Section 302A-1128, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "**§302A-1128 Department powers and duties.** (a) The
19 department shall have entire charge and control and be
20 responsible for the conduct of all affairs pertaining to public
21 instruction~~(-)~~ in the public schools the department establishes
22 and operates, including operating and maintaining the capital



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

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

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

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



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

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

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

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

17 SECTION 20. Section 302A-1403, Hawaii Revised Statutes, is
18 amended to read as follows:

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



1 federal funds for the purposes specified in sections 302A-1401
2 and 302A-1402."

3 SECTION 21. Section 302A-1404, Hawaii Revised Statutes, is
4 amended by amending subsection (a) to read as follows:

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

12 PART IV

13 SECTION 22. Public charter schools have great difficulty
14 with leasing affordable land on which to locate schools due to
15 prohibitive costs and zoning restrictions. As public schools
16 and state agencies, charter schools should have access to
17 state-held lands and buildings and enjoy comparable rates and
18 conditions as those afforded other state agencies.

19 The purpose of this part is to encourage the State to enter
20 into long-term leases of lands and buildings with charter
21 schools for the location of school facilities.



1 SECTION 23. Chapter 171, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§171- Lease to public charter schools. Notwithstanding
5 any limitations to the contrary, the board may lease to charter
6 schools, at nominal consideration, by direct negotiation and
7 without recourse to public auction, public lands and buildings
8 under the control of the department. Except as provided in this
9 section, the terms and conditions of sections 171-33 and 171-36
10 shall apply. The lands and buildings leased under this section
11 shall be used by the charter schools for educational purposes
12 only. This section shall not apply to conversion charter
13 schools."

14 PART V

15 SECTION 24. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 25. This Act shall take effect upon its approval;
18 provided that the amendments made to section 89-6(g), Hawaii
19 Revised Statutes, by section 7 of this Act shall not be repealed
20 when sections 89-6, Hawaii Revised Statutes, is repealed and
21 reenacted on July 1, 2008, pursuant to section 8 of Act 245,
22 Session Laws of Hawaii 2005.

SB2719, SD2, HD1, CD1

Report Title:

Education; Charter Schools; Recodification

Description:

Omnibus charter school 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. (SB2719 CD1)

