
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 adopt numerous
3 priority proposals developed by the task force on charter school
4 governance established by Act 87, Session Laws of Hawaii 2005,
5 by:

6 (1) Repealing part IV, subpart D, of chapter 302A, Hawaii
7 Revised Statutes, relating to new century charter
8 schools and establishing a new chapter in the Hawaii
9 Revised Statutes for the administration and governance
10 of charter schools, designated as chapter 302B, Hawaii
11 Revised Statutes;

12 (2) Reorganizing sections of the law to create clarity,
13 including separating sections for the establishment of
14 start-ups and conversion schools;

15 (3) Reclassifying programs within schools seeking to
16 become charter schools as "conversion" schools rather
17 than start-up schools;



1 (4) Enhancing and clarifying the powers and duties of the
2 charter school administrative office;

3 (5) Renaming the charter school review panel as the
4 charter school authorization panel, expand its
5 membership, and assigning this panel the role of
6 authorizer;

7 (6) Setting an annual limit to new charter schools based
8 in part on the existing charter schools accredited by
9 the Western Association of Schools and Colleges;

10 (7) Empowering the local school boards to negotiate
11 supplemental or second-tier collective bargaining
12 agreements with the exclusive representatives of their
13 employees; and

14 (8) Making various other amendments to the Hawaii Revised
15 Statutes consistent with the new charter schools law.

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

18 "CHAPTER 302B

19 PUBLIC CHARTER SCHOOLS

20 §302B-1 Purpose. The purpose of this chapter is to
21 authorize the establishment of a charter school system and set
22 forth standards for the governance, administration, support,



1 financing, autonomy, and accountability for charter schools,
2 including start-up charter schools and conversion charter
3 schools.

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

13 The purposes of the charter school system include but are
14 not limited to:

- 15 (1) Providing administrators, parents, students, and
16 teachers with expanded alternative public school
17 choices in the types of schools, educational programs,
18 opportunities, and settings, including services to
19 underserved populations, geographical areas, or
20 communities; and
- 21 (2) Encouraging and, when resources and support are
22 provided, serving as a research venue for the



1 development, use, and dissemination of alternative and
2 innovative approaches to educational governance,
3 financing, administration, curricula, technology, and
4 teaching strategies.

5 **§302B-2 Definitions.** Whenever used in this chapter,
6 unless the context otherwise requires:

7 "Authorizer" means a board, panel, or agency designated by
8 the legislature with the powers and duties to:

- 9 (1) Review applications for new charter schools;
- 10 (2) Issue new charters;
- 11 (3) Ensure that detailed implementation plans and
12 performance contracts are designed to maximize school
13 financial and academic success;
- 14 (4) Review periodically existing charter school
15 operations;
- 16 (5) Review and monitor the organizational viability of
17 charter schools;
- 18 (6) Monitor and hold charter schools accountable. Be
19 responsible not for success or failure of individual
20 schools, but for holding school accountable for their
21 performance;
- 22 (7) Renew charters; and



1 (8) Revoke a charter.

2 "Charter school" refers to those public schools holding
3 charters to operate as charter schools or conversion charter
4 schools under this chapter, with the flexibility to implement
5 alternative frameworks with regard to curriculum, facilities
6 management, instructional approach, length of the school day,
7 week, or year, and personnel management.

8 "Charter school authorization panel" means the panel
9 established in section 302B-4, with the powers and duties of a
10 charter school authorizer.

11 "Conversion charter school" means:

12 (1) Any existing department of education school that
13 converts to a charter school and is managed and
14 operated in accordance with section 302B-7; or

15 (2) Any existing department of education school that
16 converts to a charter school and is managed and
17 operated by a nonprofit organization in accordance
18 with section 302B-7.

19 "Department" means the department of education.

20 "Detailed implementation plan" means a performance contract
21 between the authorizer of a charter school and the charter
22 school in which the rights, duties, responsibilities, collective



1 bargaining role, support, resources, and expectations of the
2 authorizer, other state agencies, and the charter school are
3 identified.

4 "Executive director" means the executive director of the
5 charter school administrative office.

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

15 "Nonprofit organization" means a private, nonprofit, tax-
16 exempt entity that:

- 17 (1) Is recognized as a tax-exempt organization under
18 section 501(c)(3) of the Internal Revenue Code of
19 1986, as amended;
- 20 (2) Is domiciled in this State; and
- 21 (3) Makes a minimum annual contribution of \$1 per pupil
22 toward the operation of a conversion charter school



1 for every \$4 per pupil allocated by the charter school
2 administrative office for the operation of the
3 conversion charter school.

4 "Office" means the charter school administrative office.

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

10 **§302B-4 Charter school authorization panel; establishment;**
11 **powers and duties.** (a) There is established a charter school
12 authorization panel within the charter school administrative
13 office. The authorization panel shall be composed of nine
14 members as follows:

15 (1) Two members shall be board of education members or
16 their designees appointed by the chairperson of the
17 board of education;

18 (2) Two members shall be members of the charter school
19 community appointed by the chairperson of the board of
20 education from a list submitted by existing charter
21 schools;



1 (3) Two members shall be current or former members of a
2 charter school local school board appointed by the
3 executive director;

4 (4) One member shall be appointed by the dean of the
5 University of Hawaii's college of education;

6 (5) One member shall be a representative of the business
7 community with comprehensive experience in budgeting
8 and finance appointed by chairperson of the board of
9 education;

10 (6) One member shall be the executive director or the
11 executive director's designee; and

12 (7) Among the appointees, at least two shall have
13 educational experience.

14 (b) The charter school authorization panel shall serve as
15 the charter school authorizer.

16 **§302B-5 Limits on charter schools.** (a) Beginning in July
17 2007 up to a total of four new schools in addition to those in
18 existence on the effective date of this Act may be established
19 during each fiscal year as start-up charter schools.

20 There may be up to twenty-five conversion charter schools.
21 The charter school authorization panel may authorize new charter
22 schools under the following conditions:



1 (1) Beginning in July 2007, new charters may be authorized
2 for each charter school that has received Western
3 Association of Schools and Colleges accreditation for
4 three years or more, or has been accredited through
5 equivalent alternative national criteria or standards;
6 and

7 (2) The executive director determines that the charter
8 school administrative office has the capacity to
9 assist the existing charter schools as well as
10 accommodate the support needs of any newly chartered
11 schools.

12 (b) The limits in this section shall not apply to
13 department of education schools in restructuring seeking to
14 convert to charter schools in accordance with the federal No
15 Child Left Behind Act of 2001 (Public Law 107-110).

16 **§302B-6 Charter schools; establishment.** (a) New start-up
17 charter schools may be established by the creation of a new
18 school pursuant to this section.

19 (b) Any community, group of teachers, group of teachers
20 and administrators, or entity recognized as a nonprofit
21 organization under section 501(c)(3) of the Internal Revenue
22 Code of 1986, as amended, may submit a letter of intent to the



1 charter school authorization panel to form a charter school,
2 establish a local school board as its governing body, and
3 develop a detailed implementation plan pursuant to subsection
4 (c).

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

- 10 (1) A description of employee rights and management issues
11 and a framework for addressing those issues that
12 protects the rights of employees;
- 13 (2) A plan for identifying, recruiting, and retaining
14 highly-qualified instructional faculty;
- 15 (3) A plan for identifying, recruiting, and selecting
16 students that is not exclusive, elitist, or
17 segregationist;
- 18 (4) The curriculum and instructional framework to be used
19 to achieve student outcomes, including an assessment
20 plan;



- 1 (5) A comprehensive plan for the assessment of student,
2 administrative support, and teaching personnel
3 performance that:
 - 4 (A) Recognizes the interests of the general public;
 - 5 (B) Incorporates or exceeds the educational content
6 and performance standards developed by the
7 department of education for the public school
8 system;
 - 9 (C) Includes a system of faculty and staff
10 accountability that holds faculty and staff both
11 individually and collectively accountable for
12 their performance, and that is at least
13 equivalent to the average system of
14 accountability in public schools throughout the
15 State; and
 - 16 (D) Provides for program audits and annual financial
17 audits;
- 18 (6) A governance structure for the school that
19 incorporates a conflict of interest policy and a plan
20 for periodic training of local school board members;
- 21 (7) A financial plan based on the most recent fiscal
22 year's per-pupil charter school allocation that

1 demonstrates the ability to meet the financial
2 obligations of one-time start-up costs and ongoing
3 costs such as monthly payrolls, faculty recruitment,
4 professional development, and facilities costs; and

5 (8) A plan for any necessary design, construction,
6 renovation, and management of facilities that is
7 consistent with the state facilities plan; provided
8 that:

9 (A) If the facilities management plan includes use of
10 existing school facilities, the charter school
11 shall receive authorization from the
12 administrator responsible for the facilities; and

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

15 (d) The detailed implementation plan shall be submitted to
16 the charter school authorization panel. The charter school
17 authorization panel shall have sixty working days to review the
18 completed implementation plan for a proposed charter school to
19 ensure that it meets the requirements of subsection (c) and
20 section 302B-10. Within forty-five working days, the panel
21 shall issue a report of its preliminary findings to the board of
22 education and the local school board.



- 1 If the panel determines that the implementation plan:
- 2 (1) Meets the requirements of subsection (c) and section
3 302B-10, the panel, by the sixtieth working day, may
4 issue a charter to the proposed charter school. The
5 implementation plan shall be converted to a written
6 performance contract between the school and the panel;
7 provided that if the panel does not issue a charter,
8 the panel shall:
- 9 (A) Clearly identify its reasons for not issuing the
10 charter; and
- 11 (B) Allow the local school board to revise its plan,
12 in accordance with the panel's reasons for
13 rejecting the plan, and resubmit the amended
14 plan; or
- 15 (2) Fails to meet the requirements of subsection (c) and
16 section 302B-10, the panel:
- 17 (A) Shall notify the local school board of the
18 finding in writing to enable the local school
19 board to appropriately amend the plan to address
20 the findings; and
- 21 (B) May issue a provisional approval for a charter if
22 the panel determines that the applicant may



1 reasonably be expected to expeditiously resolve
2 any remaining findings impeding the issuance of a
3 charter. The provisional approval shall be
4 effective for one year. The panel may extend the
5 provisional approval beyond a period of one year.

6 (e) An amended implementation plan shall be submitted
7 within thirty working days of notification pursuant to
8 subsection (d)(2)(A). The charter school authorization panel
9 shall deny the issuance of a charter if the local school board
10 does not submit an amended implementation plan within the thirty
11 working day period. The panel shall have thirty working days to
12 review the amended implementation plan. If the amended
13 implementation plan:

- 14 (1) Meets the requirements of subsection (c) and section
15 302B-10, the panel, by the thirtieth working day,
16 shall issue a charter to the proposed charter school.
17 If a charter is issued, the amended implementation
18 plan shall be converted to a written performance
19 contract between the school and the panel; or
20 (2) Fails to address the findings to the panel's
21 satisfaction, the panel shall deny issuance of a
22 charter.



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

12 (g) The authorization panel shall adopt rules pursuant to
13 chapter 91 to further guide the panel's review process.

14 **§302B-7 Conversion charter schools; establishment.** (a)
15 Conversion charter schools may be established by the charter
16 school authorization panel pursuant to this section.

17 (b) Any group of teachers, group of teachers and
18 administrators, or entity recognized as a nonprofit organization
19 under section 501(c)(3) of the Internal Revenue Code of 1986, as
20 amended, may submit a letter of intent to the charter school
21 authorization panel to convert a departmental school to a
22 charter school, establish a local school board as its governing



1 body, and develop a detailed implementation plan pursuant to
2 subsection (c).

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

- 8 (1) A description of employee rights and management issues
9 and a framework for addressing those issues that
10 protects the rights of employees;
- 11 (2) A plan for identifying, recruiting, and retaining
12 highly-qualified instructional faculty;
- 13 (3) A plan for identifying, recruiting, and selecting
14 students that is not exclusive, elitist, or
15 segregationist;
- 16 (4) The curriculum and instructional framework to be used
17 to achieve student outcomes, including an assessment
18 plan;
- 19 (5) A comprehensive plan for the assessment of student,
20 administrative support, and teaching personnel
21 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 of education for the public school
- 4 system;
- 5 (C) Includes a system of faculty and staff
- 6 accountability that holds faculty and staff both
- 7 individually and collectively accountable for
- 8 their performance, and that is at least
- 9 equivalent to the average system of
- 10 accountability in public schools throughout the
- 11 State; and
- 12 (D) Provides for program audits and annual financial
- 13 audits;
- 14 (6) A governance structure for the school that
- 15 incorporates a conflict of interest policy and a plan
- 16 for periodic training of local 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 plan for any necessary design, construction,
2 renovation, and management of facilities that is
3 consistent with the state facilities plan; provided
4 that:

5 (A) If the facilities management plan includes use of
6 existing school facilities, the conversion
7 charter school shall receive authorization from
8 the administrator responsible for the facilities;
9 and

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

12 (d) The detailed implementation plan shall be submitted to
13 the charter school authorization panel. The charter school
14 authorization panel shall have sixty working days to review the
15 completed implementation plan for a proposed conversion charter
16 school to ensure that it meets the requirements of subsection
17 (c) and section 302B-10. Within forty-five working days, the
18 panel shall issue a report of its preliminary findings to the
19 board of education and the local school board.

20 If the panel determines that the implementation plan:

21 (1) Meets the requirements of subsection (c) and section
22 302B-10, the panel, by the sixtieth working day, may



1 issue a charter to the proposed conversion charter
2 school. The implementation plan shall be converted to
3 a written performance contract between the school and
4 the panel; provided that if the panel does not issue a
5 charter, the panel shall:

6 (A) Clearly identify its reasons for not issuing the
7 charter; and

8 (B) Allow the local school board to revise its plan,
9 in accordance with the panel's reasons for
10 rejecting the plan, and resubmit the amended
11 plan; or

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

14 (A) Shall notify the local school board of the
15 finding in writing to enable the local school
16 board to appropriately amend the plan to address
17 the findings; and

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



1 effective for one year. The panel may extend the
2 provisional approval beyond a period of one year.

3 (e) An amended implementation plan shall be submitted
4 within thirty working days of notification pursuant to
5 subsection (d) (2) (A). The charter school authorization panel
6 shall deny the issuance of a charter if the local school board
7 does not submit an amended implementation plan within the thirty
8 working day period. The panel shall have thirty working days to
9 review the amended implementation plan. If the amended
10 implementation plan:

11 (1) Meets the requirements of subsection (c) and section
12 302B-10, the panel, by the thirtieth working day,
13 shall issue a charter to the proposed conversion
14 charter school. If a charter is issued, the amended
15 implementation plan shall be converted to a written
16 performance contract between the school and the panel;
17 or

18 (2) Fails to address the findings to the panel's
19 satisfaction, the panel shall deny issuance of a
20 charter.

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



1 Upon filing an appeal, the panel shall forward the
2 implementation plan and appropriate documentation of the appeal
3 to the board of education. Within thirty working days, the
4 board of education shall issue a report of its findings and
5 final determination to the local school board. If the
6 implementation plan is approved by the board of education, the
7 charter school authorization panel shall issue a charter and the
8 implementation plan shall be converted to a written performance
9 contract between the school and the authorization panel.

10 (g) The authorization panel shall adopt rules pursuant to
11 chapter 91 to further guide the panel's review process.

12 (h) A nonprofit organization may submit a letter of intent
13 to the charter school administrative office to convert a
14 department of education school to a charter school, operate and
15 manage the school, establish a local school board as its
16 governing body, and develop a detailed implementation plan
17 pursuant to subsection (c); provided that:

18 (1) The local school board as the governing body of the
19 conversion charter school shall be composed of the
20 board of directors of the nonprofit organization and
21 not the participants specified in section 302B-8. The
22 nonprofit organization may also appoint advisory



1 panels of community representatives for each school
2 managed by the organization, with whom the
3 organization may consult; provided that these panels
4 shall not have governing authority over the school and
5 shall serve only in an advisory capacity to the
6 nonprofit organization;

7 (2) The detailed implementation plan for each conversion
8 charter school to be operated by the nonprofit
9 organization shall be formulated, developed, and
10 submitted by the nonprofit organization, and shall be
11 approved by a majority of the votes cast by existing
12 administrative, support, and teaching personnel, and
13 parents of the students of the proposed conversion
14 charter school; provided that the school personnel may
15 request their collective bargaining unit
16 representative to certify and conduct the elections
17 for their respective bargaining units;

18 (3) After the detailed implementation plan for a
19 conversion charter school operated and managed by the
20 nonprofit organization has been approved by the
21 charter school authorization panel as provided in
22 subsection (d) or (e), the charter school

1 authorization panel shall issue a charter, and the
2 implementation plan shall be converted to a written
3 performance contract between the nonprofit
4 organization and the panel, under which the conversion
5 charter school shall be managed and operated as a
6 division of the nonprofit organization and shall have
7 the same relationship with the charter school
8 administrative office as any other local school board
9 for a charter school;

10 (4) The board of directors of the nonprofit organization,
11 as the governing body for the conversion charter
12 school that it operates and manages, shall have the
13 same protections that are afforded to the state board
14 of education;

15 (5) Any conversion charter school that is managed and
16 operated by a nonprofit organization shall be eligible
17 for the same federal and state funding as other public
18 schools; provided that the nonprofit organization may
19 allocate federal and state funds among two or more of
20 the conversion charter schools that it operates and
21 manages to the extent permitted by law;



1 (6) If, at any time, the board of directors of the
2 nonprofit organization governing the conversion
3 charter school votes to discontinue its relationship
4 with the charter school, the charter school may submit
5 an application to the charter school authorization
6 panel to continue as a conversion school without the
7 participation of the nonprofit organization; and

8 (7) If, at any time, the conversion charter school
9 dissolves or the charter is revoked, the State shall
10 have first right, at no cost to the State, to all the
11 assets and facilities of the conversion charter
12 school.

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



1 necessary, agree to obtain appropriate services from
2 another 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 of education to ensure adherence with
8 applicable federal, state, and county laws and the
9 purposes of this chapter.

10 (j) Any public school or schools, programs, or sections of
11 existing public school populations using existing public school
12 facilities may submit a letter of intent to the charter school
13 authorization panel to form a conversion charter school,
14 establish a local school board as its governing body, and
15 develop a detailed implementation plan pursuant to subsection
16 (c). The detailed implementation plan shall be approved by a
17 majority of the votes cast by existing administrative, support,
18 and teaching personnel, and parents of students at the proposed
19 conversion charter school; provided that the school personnel
20 may request their collective bargaining unit representative to
21 certify and conduct the elections for their respective
22 bargaining units.



1 (k) Unless otherwise provided in this section, the
2 provisions in this chapter, as they relate to charter schools,
3 shall apply to conversion charter schools. In the event of a
4 conflict between the provisions in this section and other
5 provisions in this chapter, this section shall control.

6 **§302B-8 Local school boards; powers and duties.** (a) All
7 local school boards with the exception of conversion charter
8 schools, shall be composed of, at a minimum, one representative
9 from each of the following participant groups:

- 10 (1) Principals;
- 11 (2) Instructional staff members selected by the school
12 instructional staff;
- 13 (3) Support staff selected by the support staff of the
14 school;
- 15 (4) Parents of students attending the school selected by
16 the parents of the school;
- 17 (5) Student body representatives selected by the students
18 of the school; and
- 19 (6) The community at large.

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



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

10 (d) The State shall afford the local school board of any
11 charter school the same protections as the State affords to the
12 board of education.

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



1 staff without regard to chapters 76 and 89 to assist in the
2 administration of the office.

3 (b) The executive director, under the direction of the
4 charter schools and in consultation with the board of education,
5 shall be responsible for the internal organization, operation,
6 and management of the charter school system, including:

- 7 (1) Preparation and execution of the budget for the
8 charter schools, including submission of the budget
9 request to the board of education, the governor, and
10 the legislature;
- 11 (2) Allocation of annual appropriations to the charter
12 schools and distribution of federal funds to charter
13 schools;
- 14 (3) Compliance with applicable state laws related to the
15 administration of the charter schools;
- 16 (4) Preparation of contracts between the charter schools
17 and the department of education for centralized
18 services to be provided by the department;
- 19 (5) Preparation of contracts between the charter schools
20 and other state agencies for financial or personnel
21 services to be provided by such agencies to the
22 charter schools;



- 1 (6) Representation of charter schools in communications
2 with the board of education, the governor, and the
3 legislature;
- 4 (7) Assist and support the development, growth, and
5 progress of charter schools;
- 6 (8) Facilitate training and oversee administrative support
7 for the charter school authorization panel;
- 8 (9) Establishing a dispute resolution and mediation panel;
9 and
- 10 (10) Upon request by one or more charter schools, assisting
11 in the negotiation of a collective bargaining
12 agreement with the exclusive representative of its
13 employees.
- 14 (c) The executive director shall be evaluated annually
15 through a process jointly agreed upon by the Hawaii charter
16 schools network and the board of education.
- 17 (d) The salary of the executive director and staff shall
18 be set by the board of education based upon the recommendations
19 of an organization of charter schools within the State; provided
20 that the salaries and operational expenses of the charter school
21 administrative office shall be paid from the annual charter



1 school appropriation and shall not exceed two per cent of the
2 total allocation in any fiscal year.

3 (e) The charter school administrative office shall include
4 in its annual budget request additional funds to cover the
5 estimated costs of:

6 (1) Vacation and sick leave accrued by employees
7 transferring to a charter school from another state
8 agency or department;

9 (2) The cost of substitute teachers needed when a teacher
10 is out on vacation or sick leave;

11 (3) Adjustments to enrollments; and

12 (4) Costs associated with arbitration in the grievance
13 process.

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

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

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



- 1 (1) Collective bargaining under chapter 89; provided that:
- 2 (A) The exclusive representatives defined in chapter
- 3 89 and the local school board of the charter
- 4 school may enter into supplemental or second-tier
- 5 agreements that contain cost and noncost items to
- 6 facilitate decentralized decisionmaking;
- 7 (B) The agreements shall be funded from the current
- 8 allocation or other sources of revenue received
- 9 by the charter school; provided that collective
- 10 bargaining increases for employees shall be
- 11 allocated by the department of budget and finance
- 12 to the charter school administrative office for
- 13 distribution to charter schools; and
- 14 (C) These supplemental agreements may differ from the
- 15 master contracts negotiated with the department
- 16 of education;
- 17 (2) Discriminatory practices under section 378-2; and
- 18 (3) Health and safety requirements.
- 19 (b) Charter schools and the charter school administrative
- 20 office shall be exempt from chapter 103D, but shall develop
- 21 internal policies and procedures for the procurement of goods,
- 22 services, and construction, consistent with the goals of public



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

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

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

16 **§302B-11 Civil service status; employee rights.** (a)
17 Civil service employees of department of education schools shall
18 retain their civil service status upon the conversion of their
19 school to a conversion charter school. Positions in a
20 conversion charter school that would be civil service in a
21 department of education public school, shall be civil service
22 positions and subject to chapter 76. An employee with civil



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

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

21 (c) The department, to the extent possible, shall provide
22 its position listings to the charter school administrative



1 office and any interested local school board of any charter
2 school.

3 (d) The department, in conjunction with the charter school
4 administrative office, shall facilitate the movement of
5 instructional personnel between the department and charter
6 schools; provided that:

7 (1) Comparable and verifiable professional development and
8 employee evaluation standards and practices, as
9 determined and certified by the charter school
10 administrative office, are in place in charter schools
11 for instructional staff;

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

19 (3) Tenured department licensed teachers or highly
20 qualified individuals, as determined by the
21 department, who transfer to charter schools shall not
22 be required to serve a probationary period.



1 **§302B-12 Administration of workers' compensation.** The
2 department of human resources development shall administer
3 workers' compensation claims for employees of charter schools,
4 who shall be covered by the same workers' compensation system as
5 other public employees. The department of human resources
6 development shall process, investigate, and make payments on
7 claims; provided that:

8 (1) Charter schools shall compile the preliminary claim
9 form and forward it to the department of human
10 resources development; and

11 (2) The department of human resources development shall
12 receive no more than 0.07 per cent of the EDN 600
13 appropriation to process these workers' compensation
14 claims.

15 **§302B-13 Funding and finance.** (a) Beginning with fiscal
16 year 2006-2007, and each fiscal year thereafter, the charter
17 school administrative office shall submit a request for general
18 fund appropriations for each charter school based upon:

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

21 (2) A per-pupil amount for each regular education and
22 special education student, which shall be equivalent



1 to the total per-pupil cost based upon average
2 enrollment in all regular school cost categories,
3 including comprehensive school support services but
4 excluding special education services, and for all
5 means of financing except federal funds, as reported
6 in the most recently published department of education
7 consolidated annual financial report; provided that
8 the legislature may make an adjustment to the per-
9 pupil allocation for the purposes of this section; and
10 (3) Those fringe benefit costs requested shall be included
11 in the department of budget and finance's annual
12 budget request. No fringe benefit costs shall be
13 charged directly to or deducted from the charter
14 school per-pupil allocations, unless they are already
15 included in funds distributed to charter schools.

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



1 The governor, pursuant to chapter 37, may impose
2 restrictions or reductions on charter school appropriations
3 similar to those imposed on other public schools.

4 (b) Charter schools shall be eligible for all federal
5 financial support to the same extent as all other public
6 schools. The department shall provide the charter school
7 administrative office with all federal grant proposals that
8 include charter schools as potential recipients and timely
9 reports on federal grants received for which charter schools may
10 apply. Federal funds received by the department for charter
11 schools shall be transferred to the charter school
12 administrative office for distribution to charter schools in
13 accordance with the federal requirements. If administrative
14 services related to federal grants and subsidies are provided to
15 the charter school by the department, the charter school shall
16 reimburse the department for the actual costs of the
17 administrative services in an amount that does not exceed six
18 and one-half per cent of the charter school's federal grants and
19 subsidies.

20 Any charter school shall be eligible to receive any
21 supplemental federal grant or award for which any other public
22 school may submit a proposal, or any supplemental federal grants



1 limited to charter schools; provided that if department
2 administrative services, including funds management, budgetary,
3 fiscal accounting, or other related services, are provided with
4 respect to these supplemental grants, the charter school shall
5 reimburse the department for the actual costs of the
6 administrative services in an amount that does not exceed six
7 and one-half per cent of the supplemental grant for which the
8 services are used.

9 All additional funds that are generated by the local school
10 boards, not from a supplemental grant, shall be held separate
11 and apart from allotted funds and may be expended at the
12 discretion of the local school boards.

13 (c) To enable charter schools to access state funding
14 prior to the start of each school year, foster their fiscal
15 planning, and enhance their accountability, the charter school
16 administrative office shall:

17 (1) Provide fifty per cent of a charter school's per-pupil
18 allocation based on the charter school's projected
19 student enrollment no later than July 20 of each
20 fiscal year; provided that the charter school shall
21 submit to the charter school administrative office a



1 projected student enrollment no later than May 15 of
2 each year;

3 (2) Provide an additional forty per cent of a charter
4 school's per-pupil allocation no later than November
5 15 of each year; provided that the charter school
6 shall submit to the charter school administrative
7 office:

8 (A) Student enrollment as verified on October 15 of
9 each year, provided that the student enrollment
10 shall be verified on the last business day
11 immediately prior to October 15 should that date
12 fall on a weekend;

13 (B) An accounting of the percentage of student
14 enrollment who transferred from public schools
15 established and maintained by the department,
16 provided that these accountings shall also be
17 submitted by the charter school administrative
18 office to the legislature no later than twenty
19 days prior to the start of each regular session;
20 and

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

4 (d) The department shall provide appropriate transitional
5 resources to a conversion charter school for its first year of
6 operation as a charter school based upon the department's
7 allocation to the school for the year prior to the charter
8 school's conversion.

9 (e) No start-up charter school or conversion charter
10 school may assess tuition.

11 **§302B-14 Weighted student formula.** (a) Notwithstanding
12 section 302B-13 and beginning on September 1, 2006, charter
13 schools shall elect whether to receive allocations according to
14 the department's weighted student formula adopted pursuant to
15 section 302A-1303.6; provided that:

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

21 (2) Any election by charter schools and conversion charter
22 schools to receive department allocations, or not to



1 receive allocations, through the department's weighted
2 student formula shall be made by September 1 of each
3 even-numbered year, and the election shall apply to
4 the fiscal biennium beginning July 1 of the following
5 year; and

6 (3) The election to receive allocations, or not to receive
7 allocations, through the department's weighted student
8 formula shall be communicated to the department
9 through the charter school administrative office.

10 (b) The charter schools, through the charter school
11 administrative office, may propose to the board of education an
12 alternative weighted student formula, approved of by more than
13 two-thirds of the local school boards, with each local school
14 board being accorded one vote, to be administered by the charter
15 school administrative office and to apply to the per-pupil
16 allocation for charter schools.

17 **§302B-15 Accountability; probationary status; revocation**

18 **of charter.** (a) Every charter school shall conduct annual
19 self-evaluations that shall be submitted to the charter school
20 administrative office within sixty working days after the
21 completion of the school year. The self-evaluation process
22 shall include but not be limited to:

- 1 (1) The identification and adoption of benchmarks to
2 measure and evaluate administrative and instructional
3 programs;
- 4 (2) The identification of any administrative and legal
5 barriers to meeting the adopted benchmarks, and
6 recommendations for improvements and modifications to
7 address the barriers;
- 8 (3) An evaluation of student achievement within the
9 charter school; and
- 10 (4) A profile of the charter school's enrollment and the
11 community it serves, including a breakdown of regular
12 education and special education students.
- 13 (b) The charter school authorization panel shall conduct
14 multi-year evaluations of charter schools that have been
15 chartered for four or more years, and may conduct special
16 evaluations at any time. The charter school authorization panel
17 shall adopt rules pursuant to chapter 91 for its evaluations,
18 including a schedule of such evaluations.
- 19 (c) The charter school authorization panel may place a
20 charter school on probationary status based upon the findings of
21 its evaluation, provided that:



- 1 (1) The charter school and the charter school
2 administrative office are involved in substantive
3 discussions with the panel regarding the evaluation;
- 4 (2) The notice of probation is delivered to the charter
5 school and specifies the deficiencies requiring
6 corrections, the probation period, and monitoring and
7 reporting requirements;
- 8 (3) For deficiencies related to student performance, a
9 charter school shall be allowed two years to improve
10 student performance; and
- 11 (4) For deficiencies related to financial plans, a charter
12 school shall be allowed one year to develop a sound
13 financial plan.

14 The charter school shall remain on probationary status
15 until the panel votes to either remove the charter school from
16 probationary status or revoke its charter.

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

19 (d) If a charter school fails to resolve deficiencies by
20 the end of the probation period, the charter school
21 authorization panel, by two-thirds vote, may revoke the charter.
22 The panel may revoke the charter for serious student or employee



1 health or safety deficiencies in accordance with rules adopted
2 by the panel, provided that:

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

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

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

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

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

17 (e) If there is an immediate concern for student or
18 employee health or safety at a charter school, the panel, in
19 consultation with the charter school administrative office, may
20 adopt an interim restructuring plan that may include appointment
21 of an interim local school board, an interim local school board



1 chairperson, or a principal to temporarily assume operations of
2 the school.

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

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

11 **§302B-16 Responsibilities of department of education;**
12 **special education services.** (a) The department of education
13 shall collaborate with the charter school administrative office
14 to develop a system of technical assistance related to
15 compliance with federal and state laws and access to federal and
16 state funds. The department and the charter school
17 administrative office shall collaborate to develop a list of
18 central services that the department of education may offer for
19 purchase by a charter school at an annual cost to be negotiated
20 between an individual charter school and the department. The
21 department shall enter into a contract with a charter school to



1 provide these services, which shall be re-negotiated on an
2 annual basis.

3 (b) The department shall be responsible for the provision
4 of a free, appropriate public education. Any charter school
5 that 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 in accordance with the student's
14 individualized educational program, services for the student
15 shall be provided in collaboration with the department for the
16 provision of free appropriate public education. The department
17 shall collaborate with the charter school administrative office
18 to develop guidelines related to the provision of special
19 education services and resources to each charter school. The
20 department shall review all of the current individualized
21 education programs of special education students enrolled in a
22 charter school and may offer staff or funding, or both, to the



1 local school board of any [~~new century~~] charter school
 2 [~~established under section 302A-1182~~] or [~~new century~~]
 3 conversion charter school established under [~~section 302A-1191,~~]
 4 chapter 302B, council, authority, committee, or commission,
 5 established by law or elected to the board of education or the
 6 board of trustees of the employees' retirement system under
 7 section 88-24; provided that "member" shall not include any
 8 person elected to serve on a board or commission in accordance
 9 with chapter 11 other than a person elected to serve on the
 10 board of education."

11 SECTION 6. Section 302A-411, Hawaii Revised Statutes, is
 12 amended by amending subsection (a) to read as follows:

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

- 16 (1) Attendance shall not be mandatory; and
- 17 (2) [~~New century charter~~] Charter schools and [~~new~~
 18 ~~century~~] conversion charter schools established under
 19 chapter 302B shall be excluded from mandatory
 20 participation in the program."

21 SECTION 7. Section 302A-1124, Hawaii Revised Statutes, is
 22 amended by amending subsection (a) to read as follows:



1 "(a) The department, through the board and its
 2 superintendent, shall establish a school community council
 3 system under which each public school, excluding [~~new century~~]
 4 charter schools and [~~new century~~] conversion charter schools[~~7~~]
 5 established under chapter 302B, shall create and maintain a
 6 school community council. Each school community council shall:

7 (1) Review and evaluate the school's academic plan and
 8 financial plan, and either recommend revisions of the
 9 plans to the principal, or recommend the plans for
 10 approval by the complex area superintendent;

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

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

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

19 SECTION 8. Section 302A-1302, Hawaii Revised Statutes, is
 20 amended to read as follows:

21 "**§302A-1302 School-based budget flexibility.** (a) The
 22 department shall implement school-based budget flexibility for

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

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

14 SECTION 9. Section 302A-1303.6, Hawaii Revised Statutes,
15 is amended to read as follows:

16 "[+] §302A-1303.6 [+] **Weighted student formula.** Based upon
17 recommendations from the committee on weights, the board of
18 education, not less than annually, shall adopt a weighted
19 student formula for the allocation of moneys to public schools
20 [~~which~~] that takes into account the educational needs of each
21 student. The department, upon the receipt of appropriated
22 moneys, shall use the weighted student formula to allocate funds



1 to public schools. Principals shall expend moneys provided to
 2 the principals' schools. This section shall only apply to [~~new~~
 3 ~~century~~] charter schools and [~~new-century~~] conversion charter
 4 schools for fiscal years in which the [~~new-century~~] charter
 5 schools and [~~new-century~~] conversion charter schools elect
 6 pursuant to section [~~302A-1182.5~~] 302B-14 to receive allocations
 7 according to the weighted student formula."

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

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

16 SECTION 11. Section 302A-1507, Hawaii Revised Statutes, is
 17 amended by amending subsection (a) to read as follows:

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

1 cleaning, including but not limited to having parent, student,
2 or other community groups clean the classrooms on a regular,
3 continuing basis."

4 SECTION 12. Section 302A-101, Hawaii Revised Statutes, is
5 amended by deleting the definition of "new century charter
6 schools".

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

12 **PART III**

13 SECTION 13. The purpose of this part is to amend various
14 sections of the Hawaii Revised Statutes relating to education
15 and the department of education to further the ability of the
16 State's public charter schools to act independently of the
17 department of education and the public schools that the
18 department establishes and maintains.

19 SECTION 14. Section 26-12, Hawaii Revised Statutes, is
20 amended to read as follows:

1 "~~§26-12 Department of education. [The department of~~
2 ~~education shall be headed by an executive board to be known as~~
3 ~~the board of education.~~

4 ~~Under policies established by the board, the superintendent~~
5 ~~shall administer programs of education and public instruction~~
6 ~~throughout the State, including education at the preschool,~~
7 ~~primary, and secondary school levels, adult education, school~~
8 ~~library services, health education and instruction (not~~
9 ~~including dental health treatment transferred to the department~~
10 ~~of health), and such other programs as may be established by~~
11 ~~law. The state librarian, under policies established by the~~
12 ~~board of education, shall be responsible for the administration~~
13 ~~of programs relating to public library services and transcribing~~
14 ~~services for the blind.]~~

15 (a) The department of education shall be headed by an
16 executive board to be known as the board of education. As
17 provided by law, the board of education shall formulate
18 educational policies for the State's single statewide public
19 school system. The charter school administrative office and the
20 charter school authorization panel established in chapter 302B
21 are placed in the department for administrative purposes as
22 provided in section 26-35.



- 1 (b) The department shall:
- 2 (1) Serve as the State's educational agency for purposes
- 3 of all federal laws, federal educational programs, and
- 4 federal funding programs, and as the central support
- 5 system responsible for the overall administration of
- 6 statewide educational policy, development of standards
- 7 for compliance with federal laws, and the submission
- 8 of a budget for the public schools, excluding the
- 9 public charter schools;
- 10 (2) Serve as the local educational agency for all of the
- 11 State's public schools for purposes of all federal
- 12 laws, federal educational programs, and federal
- 13 funding programs, and serve as the central support
- 14 system responsible for the overall administration of
- 15 education policy, compliance with federal and state
- 16 laws, and the preparation of a budget for the
- 17 department and all public schools other than public
- 18 charter schools; and
- 19 (3) Through the superintendent of education, provide for
- 20 the internal organization, operation, and management,
- 21 and administer all programs of education and public
- 22 instruction, including education at the preschool,

1 primary, and secondary school levels, adult education,
 2 school library services, and such other programs as
 3 may be established by law, in all public schools other
 4 than public charter schools.

5 (c) The functions and authority heretofore exercised by
 6 the department of education (except dental health treatment
 7 transferred to the department of health), library of Hawaii,
 8 Hawaii county library, Maui county library, and the transcribing
 9 services program of the bureau of sight conservation and work
 10 with the blind, as heretofore constituted are transferred to the
 11 public library system established [~~by this chapter.~~] Act 1,
 12 Second Special Session Laws of Hawaii 1959.

13 (d) The management contract between the board of
 14 supervisors of the county of Kauai and the Kauai public library
 15 association shall be terminated at the earliest time after
 16 November 25, 1959, permissible under the terms of the contract
 17 and the provisions of this [~~paragraph~~] subsection shall
 18 constitute notice of termination, and the functions and
 19 authority heretofore exercised by the Kauai county library as
 20 heretofore constituted and the Kauai public library association
 21 over the public libraries in the county of Kauai shall thereupon

1 be transferred to the public library system established by [~~this~~
2 ~~chapter.~~] Act 1, Second Special Session Laws of Hawaii 1959.

3 (e) The management contracts between the trustees of the
4 library of Hawaii and the Friends of the Library of Hawaii, and
5 between the library of Hawaii and the Hilo library and reading
6 room association, shall be terminated at the earliest time after
7 November 25, 1959, permissible under the terms of the contracts,
8 and the provisions of this [~~paragraph~~] subsection shall
9 constitute notice of termination.

10 (f) Upon the termination of the contracts, the State or
11 the counties shall not enter into any library management
12 contracts with any private association; provided that in
13 providing library services the board of education may enter into
14 contracts approved by the governor for the use of lands,
15 buildings, equipment, and facilities owned by any private
16 association.

17 (g) Notwithstanding any law to the contrary, the board of
18 education may establish, specify the membership number and
19 quorum requirements for, appoint members to, and disestablish a
20 commission in each county to be known as the library advisory
21 commission, which shall in each case sit in an advisory capacity



1 to the board of education on matters relating to public library
2 services in their respective county."

3 SECTION 15. 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 public charter schools. Expenditures from
9 the trust fund shall be made by the department and shall be
10 subject to the allotment and expenditure plan required under
11 section 37-34.5. Notwithstanding any other law to the contrary,
12 tax deductible donations may be made to, and received by, this
13 trust fund."

14 SECTION 16. Section 302A-1101, Hawaii Revised Statutes, is
15 amended by amending subsection (a) to read as follows:

16 "(a) There shall be a principal executive department to be
17 known as the department of education, which shall be headed by
18 an elected policy-making board to be known as the board of
19 education. The board shall have power in accordance with law to
20 formulate statewide educational policy, adopt student
21 performance standards and assessment models, monitor school
22 success, and to appoint the superintendent of education as the



1 chief executive officer of [~~the public school system.~~] that
2 subsystem of the State's single statewide system of public
3 schools that does not include the State's public charter
4 schools. The charter school administrative office and the
5 charter school authorization panel established in chapter 302B
6 are placed in the department for administrative purposes as
7 provided in section 26-35."

8 SECTION 17. Section 302A-1111, Hawaii Revised Statutes, is
9 amended to read as follows:

10 "[~~§~~302A-1111~~]~~ **Duties of superintendent.** (a) Under
11 policies established by the board, the superintendent shall be
12 designated as the chief executive officer [~~of the public school~~
13 ~~system having~~] of that subsystem of the State's single statewide
14 system of public schools that does not include the State's
15 public charter schools. The superintendent shall have
16 jurisdiction over the internal organization, operation, and
17 management of [~~the public school system, as provided by law,~~]
18 all public schools other than public charter schools; and shall
19 administer programs of education and public instruction
20 [~~throughout the State,~~] in those public schools, including
21 education at the preschool, primary, and secondary school
22 levels, and such other programs as may be established by law.



1 (b) Except as otherwise provided, the superintendent shall
2 sign all drafts for the payment of moneys, all commissions and
3 appointments, all deeds, official acts, or other documents of
4 the department[-], except documents prepared or received by the
5 charter school administrative office established under chapter
6 302B. The superintendent may use a printed facsimile signature
7 in approving appointments, contracts, and other documents. The
8 superintendent, at such time as may be prescribed by the board,
9 shall present to the board full annual reports of the principal
10 transactions within the department during the last completed
11 year, which reports together with such recommendations as the
12 board may think proper, shall be presented to the governor and
13 the legislature."

14 SECTION 18. 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[-] in the public schools the department establishes
20 and maintains, 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 maintains, 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 19. 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 charter school administrative office
4 established under chapter 302B."

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

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

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

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

1 SECTION 22. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 23. This Act shall take effect July 1, 2006;
4 provided that the amendments made to section 28-8.3, Hawaii
5 Revised Statutes, by section 15 of this Act shall not be
6 repealed when section 28-8.3, Hawaii Revised Statutes, is
7 reenacted on June 30, 2007 pursuant to section 14(2) of Act 58,
8 Session Laws of Hawaii 2004, as amended by section 50 of Act 22,
9 Session Laws of Hawaii 2005.



Report Title:

Education; Charter Schools; Recodification

Description:

Omnibus public charter schools recodification. Creates a new chapter on charter school governance. (SD1)

