

Honolulu, Hawaii

Feb 16, 2006

RE: H.B. No. 2962
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committees on Education and Labor & Public Employment,
to which was referred H.B. No. 2962 entitled:

"A BILL FOR AN ACT RELATING TO EDUCATION,"

beg leave to report as follows:

The purpose of this bill is to improve Hawaii's charter school system by adopting 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. Among other things, this bill:

- (1) Provides consistency and clarity for statutes relating to the administration and governance of charter schools by recodifying and reorganizing the statutes into a new chapter;
- (2) Renames new century charter schools and new century conversion charter schools to "charter schools" and "conversion charter schools", respectively;
- (3) Distinguishes between the procedures for establishing charter schools and conversion charter schools by creating separate sections for each;
- (4) Reclassifies programs within schools seeking to become charter schools as "conversion charter schools" rather than start-up schools;



- (5) Clarifies and enhances the powers and duties of the Charter Schools Administrative Office (CSAO) and its executive director;
- (6) Renames the Charter School Review Panel as the Charter School Authorization Panel (Authorization Panel), expands its membership, and assigns it the role of charter school authorizer;
- (7) Sets an annual limit on the number of new charter schools that can be created, based in part on the number of existing charter schools that become accredited by the Western Association of Schools and Colleges;
- (8) Empowers the local school boards of the charter schools to negotiate supplemental or second-tier collective bargaining agreements with the exclusive representatives of their employees; and
- (9) Amends other parts of the Hawaii Revised Statutes (HRS) to maintain consistency with the provisions of the new chapter relating to charter schools.

Ke Kula o Kamakau, Kanu o Ka Aina New Century Public Charter School, and numerous concerned individuals testified in support of this bill. Two concerned individuals supported this measure in part. The Department of Education, Office of Hawaiian Affairs, Hookakoo Corporation, and The League of Women Voters of Hawaii supported the intent of this bill. A concerned individual opposed this measure. The Office of the Governor, Department of Human Resources Development, Board of Education (BOE), CSAO, Hawaii Teacher Standards Board, University of Hawaii (UH), Kamehameha Schools, Hawaii Government Employees Association, and a concerned individual offered comments.

Your Committees have amended this bill by:

- (1) Including BOE in the description of the charter school system in section 302B-1, HRS;
- (2) Further clarifying that conversion charter schools fall under the category of "charter schools";
- (3) Limiting programs or sections of existing public school populations that can form a conversion charter school to



those that are part of a separate Hawaiian language immersion program and using existing public school facilities;

- (4) Requiring each charter school's self-evaluation process to include an evaluation of the school's organizational viability, and defining "organizational viability";
- (5) Changing the provisions relating to the Authorization Panel as follows:
 - (a) Placing the Authorization Panel within CSAO for administrative purposes only;
 - (b) Changing the membership of the Authorization Panel;
 - (c) Requiring the Governor to appoint Authorization Panel members, except for the chairperson of BOE, executive director of CSAO, and dean of the UH College of Education;
 - (d) Requiring that the Authorization Panel include members from all islands to the extent possible;
 - (e) Requiring the chairperson of the Authorization Panel to be chosen by Panel members, instead of specifying the executive director of CSAO;
 - (f) Limiting Authorization Panel members to three consecutive three-year terms of service, and requiring staggered terms;
 - (g) Specifying that Authorization Panel members shall not receive compensation;
 - (h) Requiring the Authorization Panel to establish operating rules to include conflict of interest provisions for members;
 - (i) Specifying the powers and duties of the Authorization Panel;
 - (j) Requiring CSAO to provide for staff support and expenses of the Authorization Panel;



- (k) Allowing the Authorization Panel to adopt administrative rules; and
- (l) Exempting the Authorization Panel from Chapter 92, HRS, but requiring it to adopt policies to facilitate transparency, openness, public decision-making, and participation;
- (6) Removing language that lifts the cap on the number of charter schools that can be established and reiterating the existing cap;
- (7) Removing the requirement that the Authorization Panel adopt rules for its review process of proposed charter schools;
- (8) Setting maximum limits on the amount a nonprofit organization can contribute annually per pupil, toward the operation of a conversion charter school;
- (9) Changing the provisions relating to collective bargaining for charter schools as follows:
 - (a) Specifying that charter school employees shall be assigned to an appropriate public sector bargaining unit based on the duties and responsibilities they perform for the majority of the time; and
 - (b) Allowing the local school board of the charter school to negotiate a memorandum of agreement or supplemental agreement that only applies to charter school employees, with the exclusive representatives of charter school employees pursuant to chapter 89, HRS;
- (10) Lifting the requirement that county zoning ordinances must "impose undue burdens on charter schools" before the charter schools are exempt from those ordinances;
- (11) Allowing civil service employees of a conversion charter school to retain their civil service status in the DOE human resources civil service system;
- (12) Repealing the definition of "new century charter schools", amending the definition of "public schools" in section 302A-101, HRS, and adding definitions to the



same section, to reflect the provisions of the new chapter relating to charter schools and to account for the repeal of the current charter school law;

- (13) Allowing a member of a collective bargaining unit to serve on a local school board of a charter school, without regard to section 89-6, HRS;
- (14) Clarifying that DOE has jurisdiction over public schools that DOE establishes and operates, rather than just maintains;
- (15) Deleting provisions that would have expanded DOE's role in the administration of charter schools;
- (16) Deleting provisions that would have allowed CSAO to hire its own attorneys;
- (17) Deleting provisions that would have relieved the Superintendent of Education (Superintendent) of certain duties related to charter schools, including those that:
 - (a) Designate the Superintendent as the chief executive officer;
 - (b) Give the Superintendent jurisdiction over internal organization, operation, and management; and
 - (c) Designate the Superintendent as the signatory for official documents;


and

- (18) Making technical, nonsubstantive amendments for clarity, consistency, and style, including renumbering sections, as needed, and making changes to the related references.



As affirmed by the records of votes of the members of your Committees on Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2962, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2962, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Education and
Labor & Public Employment,



KIRK CALDWELL, Chair



ROY TAKUMI, Chair



