

Honolulu, Hawaii

MAR 24 2006

RE: H.B. No. 2962
H.D. 2
S.D. 1

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Education and Military Affairs, to which
was referred H.B. No. 2962, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO EDUCATION,"

begs leave to report as follows:

The purpose of this measure is to improve the Hawaii charter
school system.

Specifically, this measure:

- (1) Re-codifies and reorganizes statutes relating to
charter schools into one cohesive chapter;
- (2) Renames new century charter schools and new century
conversion charter schools, "charter schools," and
"conversion charter schools," respectively;
- (3) Carves out a specific statutory section relating
solely to conversion charter schools;
- (4) Renames the charter school review panel as the
"charter school authorization panel";
- (5) Sets minimum and maximum limits on the annual
contributions a nonprofit organization may make
toward the operation of a conversion charter
school;



- (6) Clarifies and enhances the powers of the charter school administrative office and its executive director;
- (7) Empowers local school boards to negotiate memorandums of agreement of supplemental collective bargaining agreements;
- (8) Allows charter school civil services employees to retain their civil service status within the Department of Education human resources civil service system; and
- (9) Amends other Hawaii Revised Statutes provisions to maintain consistency with the new chapter relating to charter schools.

Your Committee received testimony in general support of this measure from the Department of Human Resources Development, Waimea Middle School, and the Hawaii State Teachers Association. Testimony in support of the intent of this measure was received from the Board of Education, Ho`okāko`o Corporation, and the Ho`olako Like Community Building Division of Kamehameha Schools. Comments in support of "most of" the intent, or portions of this measure, were received the Charter School Administrative Office and the Hawaii Government Employees Association. Comments in opposition to a portion of this measure were received from the Office of the Auditor. Comments on this measure were received from the Office of the Governor, the Department of Education, and Volcano School of Arts and Sciences. The Department of Education also supported the recommendations to this measure made by the Board of Education.

Your Committee finds that significant portions of this measure remain in development, and that the effective date of this measure shall be left defective to further the discussion and fine-tuning of certain provisions.

Your Committee has amended this measure by:

- (1) Renaming "new century charter schools," "start-up charter schools";



- (2) Renaming the "charter school review panel," the "charter school oversight panel";
- (3) Setting forth a chart of minimum and maximum limits on the annual contributions a nonprofit organization may make toward the operations of a conversion charter school which increase incrementally over time;
- (4) Adding definitions for "board of education," "charter school oversight panel," and "start-up charter school";
- (5) Omitting the definition of "panel";
- (6) Eliminating the modifier "second-tier" where it appears with the phrase "collective bargaining agreement";
- (7) Modifying the definition of "nonprofit organization";
- (8) Specifying that a charter school must cooperate with the Board of Education, the Charter School Oversight Panel, and the Charter School Administrative Office;
- (9) Clarifying the procedures for nominating members of the panel;
- (10) Modifying the duties of the panel;
- (11) Modifying the section relating to the limits on charter schools;
- (12) Modifying the application procedures for a new start-up and conversion charter;
- (13) Adding a section that allows the panel to adopt administrative rules to further implement the charter review process for both start-up and conversion charter schools, to adjust charter school allocations based on issues of noncompliance, to place a charter school on probation, and to revoke a charter;



- (14) Eliminating the provision granting the State first right to all assets and facilities of a conversion charter school upon its dissolution or charter revocation;
- (15) Adding provisions exempting local school boards from chapter 103D and chapter 92 of the Hawaii Revised States relating to procurement and public meetings;
- (16) Modifying the powers and duties of the Executive Director of the Charter School Administrative Office;
- (17) Modifying the sections relating to charter school employee collective bargaining;
- (18) Specifying that the Charter School Administrative Office may not bring suit against any entity of the State;
- (19) Modifying portions of the section on charter school funding and finance;
- (20) Modifying the duties of charter schools;
- (21) Modifying the procedures in the event there is an immediate concern for student or employee health or safety at a charter school;
- (22) Making an appropriation to the Board of Education to carry out the purposes of the measure, including the creation of up to two full-time positions; and
- (23) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Education and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2962, H.D. 2, as amended herein, and



recommends that it pass Second Reading in the form attached hereto as H.B. No. 2962, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Education and
Military Affairs,



NORMAN SAKAMOTO, Chair



