

STAND. COM. REP. NO.

522

Honolulu, Hawaii

FEB 16 2007

RE: S.B. No. 603
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Education, to which was referred S.B.
No. 603 entitled:

"A BILL FOR AN ACT RELATING TO EDUCATION,"

begs leave to report as follows:

The purpose of this measure is to improve the public charter school system by clarifying duties, functions, and roles of the charter schools system and the Board of Education.

Testimony in support of this measure was submitted by the Charter School Administrative Office, the College of Education of the University of Hawaii, Kamehameha Schools, the Hawaii Charter Schools Network, Ho'okako'o Corporation, Connections Public Charter School, The League of Women Voters of Hawaii, Hale Kipa, Inc., Halau Ku Mana Public Charter School, Ka Waihona o ka Na'auao, Public Charter School, West Hawaii Explorations Academy, Public Charter School, Volcano School of Arts and Sciences, Voyager Public Charter School, and five individuals. Testimony in opposition to this measure was received from the Board of Education, Hawaii State Teachers Association, and one individual.

Your Committee finds that public charter schools throughout the State serve an important function by creating choices for parents and students within the public school system, while providing a system of accountability for student achievement. Charter schools encourage innovation and provide opportunities for parents to play powerful roles in shaping and supporting the education of their children. Pursuant to Act 298, Session Laws of

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Hawaii 2006, the Legislature sought to improve the charter school system by adopting proposals recommended by the Task Force on Charter School Governance that was established by Act 87, Session Laws of Hawaii 2005. However, additional reform is necessary to allow charter schools in the State to continue to strive for excellence through effective and efficient operations.

This measure contains several changes to the law relating to charter schools and was heard in conjunction with other charter school measures. Upon further consideration of all of the charter school measures heard, as well as the testimony provided, your Committee determines that this measure provides an appropriate vehicle to present necessary changes to the charter school system. Your Committee determines that, although providing the Charter School Review Panel and the local school boards with increased authority is reasonable, certain functions should continue to remain within the purview of the Board of Education at this time.

Additionally, your Committee believes that the Charter School Review Panel should have control over the hiring of the Executive Director of the Charter School Administrative Office, as the decision should be brought closer to its constituency. This process will also be aided by the requirement of at least two-year contracts to attract and retain qualified individuals and to promote consistency in operations. Consequently, it would be inappropriate for the Executive Director to sit as a member of the body that makes decisions on the Executive Director's position.

This measure also allows for the establishment of agency sponsored charter schools that will be co-sponsored by a state agency or University of Hawaii campus, and includes a significant contribution of land, facilities, personnel, or other resources by that agency or campus. Your Committee believes that the inclusion of these new charter schools will provide charter schools that are ensured necessary and valuable agency support.

Your Committee also heard testimony regarding the need for facilities funding for the charter schools. In an effort to address this need, your Committee determines that additional funding should be provided based on a per pupil amount that is a percentage of the Department of Education's averaged debt service to offset facility, infrastructure, and repair and maintenance costs, and other requested amounts.

Accordingly, your Committee has amended this measure by:



- (1) Removing changes to the definitions of "charter school", "charter school review panel" or "panel", and "detailed implementation plan";
- (2) Amending the definition of "local school board" to include the authority to enter into long-term lease agreements;
- (3) Authorizing local school boards to enter into long-term lease agreements;
- (4) Changing the composition of the Charter School Review Panel to eleven members;
- (5) Removing the Executive Director of the Charter School Administrative Office from the Charter School Review Panel;
- (6) Removing changes that authorized the Charter School Review Panel to approve or deny charter applications and its corresponding appeal process;
- (7) Clarifying that agency sponsored charter schools shall be subject to the limit on the authorization for new charter schools;
- (8) Authorizing the establishment and procedures for the establishment of agency sponsored conversion charter schools;
- (9) Requiring the Charter School Administrative Office to include in its annual budget request, in addition to the per pupil allocations for all charter schools:
 - (A) Costs associated with administrative and staff support for the Charter School Review Panel; and
 - (B) A per pupil allocation to offset facility, infrastructure, and repair and maintenance costs, and other requested amounts;
- (10) Including an appropriation for the estimated costs of accrued vacation and sick leave for transferring employees, substitute teachers, adjustments to



enrollment, arbitration, costs associated with administrative and staff support for the charter school review panel, and a per pupil allocation to offset facility, infrastructure, and repair and maintenance costs, and other requested amounts; and

- (11) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 603, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 603, 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,




NORMAN SAKAMOTO, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Education
EDU

Bill / Resolution No.:* SB 603	Committee Referral: EDU, WARR	Date: 02/14/07		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
SAKAMOTO, Norman (C)	X			
TOKUDA, Jill N. (VC)	X			
CHUN OAKLAND, Suzanne	X			
HEE, Clayton				X
NISHIHARA, Clarence K.				X
TANIGUCHI, Brian T.		X		
GABBARD, Mike	X			
TOTAL	4	1	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency				

*Only one measure per Record of Votes