

JAN 19 2007

A BILL FOR AN ACT

RELATING TO EDUCATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that there are two
2 important purposes for charter schools, namely:

3 (1) Providing administrators, parents, students, and
4 teachers with expanded alternative public school
5 choices in the types of schools, educational programs,
6 opportunities, and settings including services for
7 underserved populations, geographical areas, and
8 communities; and

9 (2) Encouraging and, when resources and support are
10 provided, serving as a research venue for the
11 development, use, and dissemination of alternative and
12 innovative approaches to educational governance,
13 financing, administration, curricula, technology, and
14 teaching strategies.

15 In addition to these purposes, there is a growing need to
16 more directly connect Hawaii's public school system to the
17 important missions of its agencies, industries, and university



1 programs, as well as its economic bases and special workforce
2 development needs.

3 The legislature further finds that the charter school
4 system provides unique opportunities for the creation of new
5 schools that can be more directly linked to agency, industry, or
6 campus missions, and to ensure that those new schools retain,
7 through their charters, the original purposes of their creation.
8 Among the agency and campus missions that have already linked
9 charter schools to missions are the University of Hawaii's
10 laboratory school, which serves a research and development
11 mission of the college of education, and a number of charter
12 schools that serve university missions relating to the
13 preservation of the Hawaiian language through an immersion
14 environment.

15 Recently, the need to further develop a well-educated
16 workforce for high technology industries, film and digital
17 entertainment industries, and construction industries has
18 stimulated interest in the creation of special charter schools
19 associated with industry-related, project-based hands-on
20 learning and work study, as well as identifying a more proactive
21 role for private sector industries and organizations.



1 The legislature finds that confusion continues over the
2 appropriate relationship between and among the board of
3 education, the executive director of the charter school
4 administrative office, and the involvement of charter schools in
5 providing necessary input and participation in evaluating the
6 executive director. Many feel the level of autonomy required by
7 the executive director and the office in order to fully
8 implement the law has not been realized.

9 The legislature also finds that the board of education has
10 an increasingly complex and challenging task in the
11 administration and oversight of department of education schools
12 and in the implementation of Act 51, Session Laws of Hawaii
13 2004. With part-time members, and a relatively small support
14 staff, the board cannot devote the appropriate amount of time,
15 focus, energy, and resources to discharge all the duties of a
16 charter school authorizer, from approval of new charters, to
17 accountability, to proactive support to ensure the success of
18 the charter schools. Time devoted to understanding and
19 implementing the duties of an authorizer of charter schools is
20 also time taken away from the tasks of holding department of
21 education schools accountable. The time it took the board to
22 appoint the members of the review panel, and the delays in



1 development of proposed administrative rules illustrate an
2 increasingly frustrating situation.

3 Consequently, in order to facilitate the appropriate focus,
4 time, knowledge, and resources on both the department of
5 education schools and the charter schools, the legislature
6 believes that certain important and time-consuming duties of
7 charter school authorization and oversight should be delegated
8 to the charter school review panel.

9 The purpose of this Act is to:

10 (1) Clarify that the board of education will continue to
11 play a significant role in policymaking for charter
12 schools by retaining the power to adopt administrative
13 rules, appointing the members of the charter school
14 review panel, and serving as an appeals board for
15 applicants or charters that are unhappy with decisions
16 of the charter school review panel;

17 (2) Delegate the primary role of authorization, approval
18 of amendments to detailed implementation plans,
19 placing charter schools on probation, revocation of
20 charter schools, and the appointment and evaluation of
21 the executive director to the charter school review
22 panel;



- 1 (3) Clarify how the executive director is appointed and
2 evaluated;
- 3 (4) Update the funding formula to ensure that charter
4 school allocations are based on the most recent
5 department budget base;
- 6 (5) Create a special category of agency-sponsored start-up
7 charter schools that will not be subject to the limits
8 under 302B-4, Hawaii Revised Statutes, and thus
9 encourage state agencies, University of Hawaii
10 campuses, and private sector partnerships in the
11 creation and support of specialized charter schools;
- 12 (6) Empower the charter school review panel to provide
13 opportunities to create administrative sub-districts
14 based on geography, governance, methodology,
15 curriculum, cultural focus, or affiliation with an
16 agency, campus, industry, or nonprofit organization
17 when such sub-districts are in the best interest of
18 the charter school system; and
- 19 (7) Shift the burden of providing staff and resources for
20 the charter school review panel from the board of
21 education to the charter school administrative office.



1 SECTION 2. Section 302B-1, Hawaii Revised Statutes, is
2 amended by adding a new definition to be appropriately inserted
3 and to read as follows:

4 "Agency sponsored charter school" means a charter school
5 whose application is co-submitted by a state agency or
6 University of Hawaii campus, which includes a significant
7 contribution of land, facilities, personnel, or other resources
8 by that agency or campus, and which is not subject to the limits
9 on charter schools as provided in section 302B-4; provided that
10 the contributions shall be comparable to those required for
11 conversion charter schools under section 302B-6(e)."

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

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

- 17 (1) Elected or appointed official;
- 18 (2) Member of any board or commission; provided that
19 nothing in this paragraph shall prohibit a member of a
20 collective bargaining unit from serving on a local
21 school board of a charter school or the charter school
22 review panel established under chapter 302B;



- 1 (3) Top-level managerial and administrative personnel,
2 including the department head, deputy or assistant to
3 a department head, administrative officer, director,
4 or chief of a state or county agency or major
5 division, and legal counsel;
- 6 (4) Secretary to top-level managerial and administrative
7 personnel under paragraph (3);
- 8 (5) Individual concerned with confidential matters
9 affecting employee-employer relations;
- 10 (6) Part-time employee working less than twenty hours per
11 week, except part-time employees included in
12 bargaining unit (5);
- 13 (7) Temporary employee of three months' duration or less;
- 14 (8) Employee of the executive office of the governor or a
15 household employee at Washington Place;
- 16 (9) Employee of the executive office of the lieutenant
17 governor;
- 18 (10) Employee of the executive office of the mayor;
- 19 (11) Staff of the legislative branch of the State;
- 20 (12) Staff of the legislative branches of the counties,
21 except employees of the clerks' offices of the
22 counties;



1 (13) Any commissioned and enlisted personnel of the Hawaii
2 national guard;

3 (14) Inmate, kokua, patient, ward, or student of a state
4 institution;

5 (15) Student help;

6 (16) Staff of the Hawaii labor relations board;

7 (17) Employee of the Hawaii national guard youth challenge
8 academy; or

9 (18) Employees of the office of elections."

10 SECTION 4. Section 302A-101, Hawaii Revised Statutes, is
11 amended by amending the definition of "charter school review
12 panel" or "panel" to read as follows:

13 "Charter school review panel" or "panel" means the panel
14 established in section 302B-3 [~~with the powers and duties to~~
15 ~~make recommendations to the board regarding charter schools~~]."

16 SECTION 5. Section 302A-1101, Hawaii Revised Statutes, is
17 amended by amending subsection (d) to read as follows:

18 "(d) The board shall appoint the charter school review
19 panel, which shall serve as the charter authorizer for charter
20 schools, with the power and duty to issue charters, oversee and
21 monitor charter schools, hold charter schools accountable for
22 their performance, and revoke charters."



1 SECTION 6. Section 302B-1, Hawaii Revised Statutes, is
2 amended by amending the definitions of "charter school",
3 "charter school review panel" or "panel", "detailed
4 implementation plan", and "organizational viability" to read as
5 follows:

6 "Charter school" refers to those public schools holding
7 charters to operate as charter schools under this chapter,
8 including start-up, agency sponsored, and conversion charter
9 schools, and that have the flexibility and independent authority
10 to implement alternative frameworks with regard to curriculum,
11 facilities management, instructional approach, virtual
12 education, length of the school day, week, or year, and
13 personnel management.

14 "Charter school review panel" or "panel" means the panel
15 established pursuant to section 302B-3 with the powers and
16 duties to [~~advise and make recommendations to the board~~
17 ~~regarding issuance and revocation of~~] issue and revoke charters,
18 approve detailed implementation plan revisions, and conduct
19 charter school evaluations.

20 "Detailed implementation plan" means the document that
21 details the charter school's purpose, focus, operations,
22 organization, finances, and accountability, and becomes the



1 basis for a performance contract between the [~~board~~] panel and
2 the charter school.

3 "Organizational viability" means that a charter school:

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



- 1 accordance with generally accepted accounting
- 2 practices, and maintains a sound financial plan;
- 3 (9) Operates within the scope of its charter and fulfills
- 4 obligations and commitments of its charter;
- 5 (10) Complies with all health and safety laws and
- 6 requirements; and
- 7 (11) Complies with all [~~board~~] panel directives, policies,
- 8 and procedures."

9 SECTION 7. Section 302B-3, Hawaii Revised Statutes, is
 10 amended as follows:

11 1. By amending subsections (a) and (b) to read:

12 "(a) There is established the charter school review panel,
 13 which shall be placed within the department for administrative
 14 purposes only. The panel shall be accountable to [~~and report~~
 15 ~~to~~] the charter schools, the board[-], and the general public.

16 (b) The panel shall consist of [~~nine~~] twelve members, and
 17 shall include:

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



- 1 (2) Two educational officers; provided that one
2 educational officer is employed at a start-up charter
3 school, and one educational officer is employed at a
4 conversion charter school;
- 5 (3) One member or former member of a charter school local
6 school board;
- 7 (4) The chair of the board of education or the chair's
8 designee;
- 9 (5) The executive director or the executive director's
10 designee;
- 11 (6) A representative of Hawaiian culture-focused schools;
12 [and]
- 13 (7) A representative of the University of Hawaii[+];
14 (8) One member with a background in business or
15 accounting;
- 16 (9) One member with a background in the building trades or
17 real estate; and
- 18 (10) A representative from the Hawaii Independent Schools
19 Association."

20 2. By amending subsection (d) to read:

21 "(d) Appointed panel members shall serve not more than
22 three consecutive three-year terms, with each term beginning on



1 July 1; provided that the initial terms of the appointed members
2 that commence after June 30, 2006, shall be staggered as
3 follows:

- 4 (1) [~~Three~~] Four members to serve three-year terms;
5 (2) [~~Two~~] Three members to serve two-year terms; and
6 (3) [~~Two~~] Three members to serve a one-year term."

7 3. By amending subsection (i) to read:

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

- 9 (1) Review, approve, or deny charter applications for new
10 charter schools in accordance with sections 302B-5 and
11 302B-6 [~~and make recommendations to the board~~] for the
12 issuance of new charters; provided that [~~if the board~~
13 ~~does not issue or deny the charter within sixty~~
14 ~~calendar days of the board's receipt of the~~
15 ~~recommendations, the recommendations shall~~
16 ~~automatically become effective,] applicants that are
17 denied a charter, within sixty calendar days, may
18 appeal to the board of education for a final decision;
19 (2) Review, approve, or deny significant amendments to
20 detailed implementation plans to maximize the school's
21 financial and academic success, long-term
22 organizational viability, and accountability[~~and~~~~



1 ~~make recommendations to the board; provided that if~~
2 ~~the board does not approve or deny the amendments~~
3 ~~within sixty calendar days of receipt of the~~
4 ~~recommendations, the recommendations shall~~
5 ~~automatically become effective].~~ Charter schools that
6 are denied a significant amendment to their detailed
7 implementation plan, within sixty calendar days, may
8 appeal to the board of education for a final decision;

9 (3) ~~[Recommend to the board]~~ Adopt reporting requirements
10 for charter schools;

11 (4) Review annual self-evaluation reports from charter
12 schools and ~~[make recommendations to the board;]~~ take
13 appropriate action;

14 (5) ~~[As directed by the board, evaluate]~~ Evaluate any
15 aspect of a charter school that the ~~[board]~~ panel may
16 have concerns with ~~[and make recommendations to the~~
17 ~~board;]~~ and take appropriate action, which may include
18 probation or revocation; ~~[provided that if the board~~
19 ~~does not take action on the recommendations within~~
20 ~~sixty calendar days, the recommendations shall~~
21 ~~automatically become effective;]~~



1 (6) Periodically [~~recommend to the board~~] adopt
2 improvements in the [~~board's~~] panel's monitoring and
3 oversight of charter schools;

4 (7) Periodically [~~recommend to the board~~] adopt
5 improvements in the office's support of charter
6 schools and management of the charter school
7 system[~~-~~]; and

8 (8) Provide opportunities to create administrative sub-
9 districts based on geography, governance, methodology,
10 curriculum, cultural focus, or affiliation with an
11 agency, campus, industry, or nonprofit organization
12 when the sub-districts are in the best interest of the
13 charter school system."

14 4. By amending subsection (k) to read:

15 "(k) The [~~board~~] office shall provide for the staff
16 support and expenses of the panel. The board shall submit to
17 the legislature annual appropriation requests to fund the
18 operations of the panel."

19 SECTION 8. Section 302B-4, Hawaii Revised Statutes, is
20 amended to read as follows:

21 "**§302B-4 Limits on charter schools.** Beginning July 2007,
22 the [~~board, with the recommendation of the~~] panel[~~-~~] may



1 authorize one new start-up charter school for each existing
2 start-up charter school that has received a three-year or longer
3 accreditation from the Western Association of Schools and
4 Colleges or a comparable accreditation authority as determined
5 by the panel, or for each start-up charter school whose charter
6 is revoked[-]; provided that this limit shall not apply to
7 agency sponsored charter school applications. The total number
8 of conversion charter schools authorized by the [~~board, with the~~
9 ~~recommendation of the~~] panel[7] shall not exceed twenty-five."

10 SECTION 9. Section 302B-5, Hawaii Revised Statutes, is
11 amended to read as follows:

12 **"§302B-5 Start-up charter schools; establishment. (a)**

13 New start-up charter schools, including agency sponsored
14 charters schools, may be established pursuant to this section.

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



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

- 4 (1) The submission of a letter of intent to operate a
5 start-up charter school;
- 6 (2) The timely transmittal of the application form and
7 completion guidelines to the interim local school
8 board;
- 9 (3) The timely submission to the [~~board~~] panel of a
10 completed application;
- 11 (4) The timely review of the application by the panel for
12 completeness, and notification of the interim local
13 school board if the application is complete or, if the
14 application is insufficient, a written statement of
15 the elements of the application that require
16 completion;
- 17 (5) The timely resubmission of the application;
- 18 (6) Upon receipt of a completed application, the convening
19 of the panel by the panel chairperson to begin review
20 of the application;



- 1 (7) The timely notification of the applicant of any
2 revisions the panel requests as necessary for a
3 recommendation of approval [~~to the board~~];
- 4 (8) The timely transmission of the panel's recommendation
5 to the board for adjudication;
- 6 (9) Following the submission of an application, issuance
7 of a charter or denial of the application by the
8 [~~board~~] panel by majority vote; provided that if the
9 [~~board~~] panel does not approve the application and
10 issue a charter, provisions requiring the [~~board~~]
11 panel to:
- 12 (A) Clearly identify in writing its reasons for not
13 issuing the charter, which may be used as
14 guidelines for an amended plan; and
- 15 (B) Allow the local school board to revise its plan
16 in accordance with the [~~board's~~] panel's
17 guidelines, and resubmit an amended plan within
18 ten calendar days;
- 19 (10) A provision for a final date on which a decision must
20 be made, upon receipt of an amended plan;



1 (11) A provision that no start-up charter school may begin
2 operation before obtaining [~~board~~] final approval of
3 its charter; and

4 (12) A requirement that upon approval of the start-up
5 charter school, the office shall submit to the [~~board~~]
6 panel a proposed budget for funding of the start-up
7 school for submittal to the governor and legislature.

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

12 (1) A description of employee rights and management issues
13 and a framework for addressing those issues that
14 protects the rights of employees;

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

17 (3) A plan for identifying, recruiting, and selecting
18 students that is not exclusive, elitist, or
19 segregationist;

20 (4) The curriculum and instructional framework to be used
21 to achieve student outcomes, including an assessment
22 plan;



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



1 obligations of one-time, start-up costs and ongoing
2 costs such as monthly payrolls, faculty recruitment,
3 professional development, and facilities costs; ~~and~~

4 (8) A facilities plan~~[-]~~; and

5 (9) An agency sponsored charter school shall also submit a
6 plan that describes how this charter school is related
7 to the mission or programs of the co-sponsoring state
8 agency or University of Hawaii campus, and how that
9 agency or campus will significantly contribute
10 resources to the school."

11 SECTION 10. Section 302B-8, Hawaii Revised Statutes, is
12 amended by amending subsections (a) to (e) to read as follows:

13 "(a) There is established a charter school administrative
14 office, which shall be attached to the department for
15 administrative purposes only. The office shall be administered
16 by an executive director, who shall be appointed without regard
17 to chapters 76 and 89 by the ~~[board]~~ panel based upon the
18 recommendations of an organization of charter schools operating
19 within the State or from a list of nominees submitted by the
20 charter schools. The ~~[board may]~~ panel shall hire the executive
21 director ~~[on a multi-year contract.]~~ for a term of not less than
22 two years, and shall offer the executive director a written



1 contract, and may terminate the executive director's contract
2 only for cause. The executive director may hire necessary staff
3 without regard to chapters 76 and 89 to assist in the
4 administration of the office.

5 (b) The executive director, under the direction of the
6 ~~[board]~~ panel and ~~[in consultation with]~~ the charter schools,
7 shall be responsible for the internal organization, operation,
8 and management of the charter school system, including:

9 (1) Preparing and executing the budget for the charter
10 schools, including submission of the budget request to
11 the board, the governor, and the legislature;

12 (2) Allocating annual appropriations to the charter
13 schools and distribution of federal funds to charter
14 schools;

15 (3) Complying with applicable state laws related to the
16 administration of the charter schools;

17 (4) Preparing contracts between the charter schools and
18 the department for centralized services to be provided
19 by the department;

20 (5) Preparing contracts between the charter schools and
21 other state agencies for financial or personnel



- 1 services to be provided by the agencies to the charter
2 schools;
- 3 (6) Providing independent analysis and recommendations on
4 charter school issues;
- 5 (7) Representing charter schools and the charter school
6 system in communications with the board, the governor,
7 and the legislature;
- 8 (8) Providing advocacy, assistance, and support for the
9 development, growth, progress, and success of charter
10 schools and the charter school system;
- 11 (9) Providing guidance and assistance to charter
12 applicants and charter schools to enhance the
13 completeness and accuracy of information for panel or
14 board review;
- 15 (10) Assisting charter applicants and charter schools in
16 coordinating their interactions with the panel or the
17 board as needed;
- 18 (11) Assisting the [~~board~~] panel to coordinate with charter
19 schools in [~~board~~] panel investigations and
20 evaluations of charter schools;



1 (12) Serving as the conduit to disseminate communications
2 from the panel, the board, and the department to all
3 charter schools;

4 (13) Determining charter school system needs and
5 communicating such needs [~~with~~] to the panel, the
6 board, and the department;

7 (14) Establishing a dispute resolution and mediation
8 [~~panel,~~] process; and

9 (15) Upon request by one or more charter schools, assisting
10 in the negotiation of a collective bargaining
11 agreement with the exclusive representative of its
12 employees.

13 (c) The executive director shall be evaluated annually by
14 the board[~~er~~], the panel, and the charter schools. The annual
15 evaluation shall be conducted sufficiently in advance of the end
16 of a term to provide the executive director the opportunity to
17 respond to concerns and improve performance.

18 (d) The salary of the executive director and staff shall
19 be set by the [~~board~~] panel based upon the recommendations of
20 charter schools within the State; provided that the salaries and
21 operational expenses of the office shall be paid from the annual



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

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

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

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

10 (3) Adjustments to enrollments; ~~and~~

11 (4) Arbitration in the grievance process[-]; and

12 (5) Costs associated with administrative and staff support
13 for the panel."

14 SECTION 11. Section 302B-12, Hawaii Revised Statutes, is
15 amended by amending subsections (a) to (c) to read as follows:

16 "(a) Beginning with fiscal year 2006-2007, and each fiscal
17 year thereafter, the 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 education 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~~
7 ~~consolidated annual financial report,~~] approved
8 executive budget recommendations for the department;
9 provided that the legislature may make an adjustment
10 to the per-pupil allocation for the purposes of this
11 section; and

- 12 (3) Those fringe benefit costs requested shall be included
13 in the department of budget and finance's annual
14 budget request. No fringe benefit costs shall be
15 charged directly to or deducted from the charter
16 school per-pupil allocations unless they are already
17 included in the funds distributed to the charter
18 school.

19 The legislature shall make an appropriation based upon the
20 budget request; provided that the legislature may make
21 additional appropriations for fringe, workers' compensation, and



1 other employee benefits, facility costs, and other requested
2 amounts.

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

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

21 Any charter school shall be eligible to receive any
22 supplemental federal grant or award for which any other public



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

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

14 (c) To enable charter schools to access state funding
15 prior to the start of each school year, foster their fiscal
16 planning, and enhance their accountability, the 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 office a projected student enrollment no
22 later than May 15 of each year;



- 1 (2) Provide an additional forty per cent of a charter
2 school's per-pupil allocation no later than
3 November 15 of each year; provided that the charter
4 school shall submit to the office:
- 5 (A) Student enrollment as verified on October 15 of
6 each year; provided that the student enrollment
7 shall be verified on the last business day
8 immediately prior to October 15 should that date
9 fall on a weekend; and
- 10 (B) An accounting of the percentage of student
11 enrollment that transferred from public schools
12 established and maintained by the department;
13 provided that these accountings shall also be
14 submitted by the office to the legislature no
15 later than twenty days prior to the start of each
16 regular session; and
- 17 (3) The remaining ten per cent per-pupil allocation of a
18 charter school no later than January 1 of each year as
19 a contingency balance to ensure fiscal accountability;
20 provided that the [~~board~~] panel may make adjustments in
21 allocations based on noncompliance with office administrative
22 procedures and board-approved accountability requirements."



1 SECTION 12. Section 302B-14, Hawaii Revised Statutes, is
2 amended by amending subsections (a) to (g) to read as follows:

3 "(a) Every charter school shall conduct annual self-
4 evaluations that shall be submitted to the [~~board~~] panel within
5 sixty working days after the completion of the school year[-],
6 or in accordance with reporting requirements adopted by the
7 panel. The self-evaluation process shall include but not be
8 limited to:

- 9 (1) The identification and adoption of benchmarks to
10 measure and evaluate administrative and instructional
11 programs;
- 12 (2) The identification of any innovations or research that
13 may assist other public schools;
- 14 (3) The identification of any administrative and legal
15 barriers to meeting the adopted benchmarks, and
16 recommendations for improvements and modifications to
17 address the barriers;
- 18 (4) An evaluation of student achievement within the
19 charter school;
- 20 (5) A profile of the charter school's enrollment and the
21 community it serves, including a breakdown of regular
22 education and special education students; and



1 (6) An evaluation of the school's organizational
2 viability.

3 (b) The [~~board~~] panel shall conduct multi-year evaluations
4 of charter schools that have been chartered for four or more
5 years. [~~The board shall adopt rules pursuant to chapter 91 for~~
6 ~~its evaluations.~~]

7 (c) The [~~board~~] panel may conduct special evaluations of
8 charter schools at any time.

9 (d) The [~~board~~] panel may place a charter school on
10 probationary status; provided that:

11 (1) The panel evaluates the charter school or reviews an
12 evaluation of the charter school [~~and makes~~
13 ~~recommendations to the board~~];

14 (2) The [~~board~~] panel and the office are involved in
15 substantive discussions with the charter school
16 regarding the areas of deficiencies;

17 (3) The notice of probation is delivered to the charter
18 school and specifies the deficiencies requiring
19 correction, the probation period, and monitoring and
20 reporting requirements;



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

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

7 The charter school shall remain on probationary status
8 until the [~~board~~] panel votes to either remove the charter
9 school from probationary status or revoke its charter.

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

15 (f) The [~~board~~] panel may place a charter school on
16 probationary status or revoke the charter for serious student or
17 employee health or safety deficiencies; provided that:

18 (1) The charter school is given notice of specific health
19 or safety deficiencies and is afforded an opportunity
20 to present its case to the [~~board~~] panel;

21 (2) The [~~board~~] panel chair appoints a task group, which
22 may be an investigative task group, the panel, or the



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



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

6 SECTION 13. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 14. This Act shall take effect upon its approval;
9 provided that amendments made to section 89-6(g), Hawaii Revised
10 Statutes, by section 3 of this Act shall not be repealed when
11 section 89-6, Hawaii Revised Statutes, is repealed and reenacted
12 on July 1, 2008, pursuant to section 8 of Act 245, Session Laws
13 of Hawaii 2005.

14

INTRODUCED BY: Wm. Sabers



Report Title:

Charter Schools

Description:

Expands the duties of the charter school review panel; clarifies the manner in which the executive director of the charter school administrative office is appointed and evaluated; updates the charter school funding formula; creates a category for agency-sponsored charter schools; requires the charter school administrative office to provide staff and resources for the charter school review panel; and increases the membership of the charter school review panel.

