

Report Title:

Charter Schools; Funding

Description:

Improves the charter school funding mechanism to ensure that charter schools receive fair and equitable funding. (HB1686 HD1)

A BILL FOR AN ACT

RELATING TO CHARTER SCHOOLS.

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

1 SECTION 1. Section 302B-3, Hawaii Revised Statutes, is
2 amended by amending subsection (i) to read as follows:
3 "(i) The powers and duties of the panel shall be to:
4 (1) Appoint and evaluate the executive director and
5 approve staff and salary levels for the charter school
6 administrative office;
7 (2) Review, approve, or deny charter applications for new
8 charter schools in accordance with section 302B-5 for
9 the issuance of new charters; provided that applicants
10 that are denied a charter may appeal to the board for
11 a final decision pursuant to section 302B-3.5;
12 (3) Review, approve, or deny significant amendments to
13 detailed implementation plans to maximize the school's
14 financial and academic success, long-term
15 organizational viability, and accountability. Charter
16 schools that are denied a significant amendment to
17 their detailed implementation plan may appeal to the

- 1 board for a final decision pursuant to section 302B-
2 3.5;
- 3 (4) Adopt reporting requirements for charter schools;
- 4 (5) Review annual self-evaluation reports from charter
5 schools and take appropriate action;
- 6 (6) Evaluate any aspect of a charter school that the panel
7 may have concerns with and take appropriate action,
8 which may include probation or revocation;
- 9 (7) Periodically adopt improvements in the panel's
10 monitoring and oversight of charter schools; ~~and~~
- 11 (8) Periodically adopt improvements in the office's
12 support of charter schools and management of the
13 charter school system~~[-]~~; and
- 14 (9) Act upon the capital improvement projects budget for
15 charter school facilities pursuant to section 302B-
16 8 (b) (1) ."

17 SECTION 2. Section 302B-8, Hawaii Revised Statutes, is
18 amended by amending subsection (b) to read as follows:

19 "(b) The executive director, under the direction of the
20 panel and in consultation with the charter schools, shall be
21 responsible for the internal organization, operation, and
22 management of the charter school system, including:

- 1 (1) Preparing and executing the budget for the charter
2 schools, including submission of the budget request to
3 the board, the governor, and the legislature; provided
4 that a separate capital improvement projects budget
5 for charter school facilities shall be prepared and
6 submitted to the panel for approval and, upon
7 approval, submitted directly to the department of
8 budget and finance;
- 9 (2) Allocating annual appropriations to the charter
10 schools and distribution of federal funds to charter
11 schools;
- 12 (3) Complying with applicable state laws related to the
13 administration of the charter schools;
- 14 (4) Preparing contracts between the charter schools and
15 the department for centralized services to be provided
16 by the department;
- 17 (5) Preparing contracts between the charter schools and
18 other state agencies for financial or personnel
19 services to be provided by the agencies to the charter
20 schools;
- 21 (6) Providing independent analysis and recommendations on
22 charter school issues;

- 1 (7) Representing charter schools and the charter school
2 system in communications with the board, the governor,
3 and the legislature;
- 4 (8) Providing advocacy, assistance, and support for the
5 development, growth, progress, and success of charter
6 schools and the charter school system;
- 7 (9) Providing guidance and assistance to charter
8 applicants and charter schools to enhance the
9 completeness and accuracy of information for panel
10 review;
- 11 (10) Assisting charter applicants and charter schools in
12 coordinating their interactions with the panel as
13 needed;
- 14 (11) Assisting the panel to coordinate with charter schools
15 in panel investigations and evaluations of charter
16 schools;
- 17 (12) Serving as the conduit to disseminate communications
18 from the panel, the board, and the department to all
19 charter schools;
- 20 (13) Determining charter school system needs and
21 communicating those needs to the panel, the board, and
22 the department;

- 1 (14) Establishing a dispute resolution and mediation
2 process; and
- 3 (15) Upon request by one or more charter schools, assisting
4 in the negotiation of a collective bargaining
5 agreement with the exclusive representative of its
6 employees."

7 SECTION 3. Section 302B-12, Hawaii Revised Statutes, is
8 amended by amending subsection (a) to read as follows:

9 "(a) Beginning with fiscal year 2006-2007, and each fiscal
10 year thereafter, the office shall submit a request for general
11 fund appropriations for each charter school based upon:

- 12 (1) The actual and projected enrollment figures in the
13 current school year for each charter school;
- 14 (2) A per-pupil amount for each regular education and
15 special education student, which shall be equivalent
16 to the total per-pupil cost based upon average
17 enrollment in all regular education cost categories,
18 including comprehensive school support services but
19 excluding special education services, and for all
20 means of financing except federal funds, as reported
21 in the most recently-approved executive budget
22 recommendations for the department; provided that in

1 preparing the budget the executive director shall
2 include a report of all means of financing and an
3 analysis of the proposed budget in relationship to the
4 most recently published department consolidated annual
5 financial report; provided further that the
6 legislature may make an adjustment to the per-pupil
7 allocation for the purposes of this section; and

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

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

20 The governor, pursuant to chapter 37, may impose
21 restrictions or reductions on charter school appropriations
22 similar to those imposed on other public schools."

1 SECTION 4. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 5. This Act shall take effect on July 1, 2009.