

Honolulu, Hawaii

March 23, 2012

RE: S.B. No. 2115  
S.D. 2  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committees on Education and Labor & Public Employment,  
to which was referred S.B. No. 2115, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO CHARTER SCHOOLS,"

beg leave to report as follows:

The purpose of this measure is to strengthen Hawaii's charter school system by adopting the recommendations of the Charter School Governance, Accountability, and Authority Task Force and establishing new provisions governing charter schools and charter school governance and administration.

The Governor, Kamehameha Schools, Hawaii Business Roundtable Incorporated, AAUW Windward Branch, and three concerned individuals supported this bill. The Department of Education, Charter School Administrative Office, Hawaii Technology Academy, and Hawaii Public Charter Schools Network supported the intent of this measure. The Office of Hawaiian Affairs supported this bill with amendments. Several concerned individuals opposed this measure. The State Procurement Office, Department of the Attorney General, Hawaii State Ethics Commission, Charter School Review Panel, Hawaii State Teachers Association, Kanu O Ka 'Āina, Ho'okāko'o Corporation, and Hawai'i Educational Policy Center provided comments.



Your Committees have amended this measure by:

- (1) Clarifying that charter school governing boards are the employer for the purposes of civil service and collective bargaining;
- (2) Including academic knowledge to the list of considerations to be used in selecting members of charter school governing boards;
- (3) Requiring charter school governing boards to ensure that their schools comply with the terms of their charter contract;
- (4) Making charter schools, charter school governing boards, the State Public Charter School Commission, and authorizers exempt from the state ethics code, but requiring them to develop internal policies and procedures for gifts, confidential information, fair treatment, conflicts of interest, and contracts that are consistent with the goals of the state ethics code;
- (5) Requiring authorizers to develop a schedule to approve or deny a charter application by start up and conversion charter schools by the end of the calendar year for the purposes of meeting any deadlines to request funding from the Legislature;
- (6) Limiting the role of the Board of Education as the final arbitrator of disputes to specified appeals;
- (7) Removing the November 15 deadline for the Director of Finance to transfer general funds for a per-pupil allocation between the Department of Education and charter schools;
- (8) Removing the November 30 deadline for the Director of Finance's annual report on calculations and transfers to be submitted to the Legislature, Governor, Department of Education, and charter schools;
- (9) Changing the contracted term of the executive director hired by the State Public Charter School Commission to one year from four years;



- (10) Providing that the executive director's contract will automatically terminate once the section providing for the executive director's hire is repealed; and
- (11) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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 S.B. No. 2115, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2115, S.D. 2, 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,



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KARL RHOADS, Chair



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ROY TAKUMI, Chair





State of Hawaii  
House of Representatives  
The Twenty-sixth Legislature

HSCR 1239-12

**Record of Votes of the Committee on Labor & Public Employment**

| Bill/Resolution No.:<br><b>SB2119 SD2</b>   | Committee Referral:<br><b>EDN/LAB &amp; FIN</b> | Date:<br><b>3-21-12</b> |          |          |
|---|---|-------------------------|----------|----------|
| <input type="checkbox"/> The committee is reconsidering its previous decision on the measure.   |   |                         |          |          |
| The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold<br><input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit) |   |                         |          |          |
| LAB Members   | Ayes  | Ayes (WR)               | Nays     | Excused  |
| 1. RHOADS, Karl (C)   | /   |                         |          |          |
| 2. YAMASHITA, Kyle T. (VC)  | /   |                         |          |          |
| 3. AQUINO, Henry J.C.   | /   |                         |          |          |
| 4. CULLEN, Ty   | /   |                         |          |          |
| 5. ICHIYAMA, Linda  | /   |                         |          |          |
| 6. LEE, Marilyn B.  | /   |                         |          |          |
| 7. LUKE, Sylvia   |   |                         |          | —        |
| <del>8. OKAMURA, Tom</del>  |   |                         |          |          |
| 9. SAIKI, Scott K.  | /   |                         |          |          |
| 10. SOUKI, Joseph M.  |   |                         |          | —        |
| 11. TAKUMI, Roy M.  | /   |                         |          |          |
| 12. FONTAINE, George R.   | /   |                         |          |          |
| 13. JOHANSON, Aaron Ling  | /   |                         |          |          |
| <b>TOTAL (13)</b>   | <b>10</b>                                       | <b>—</b>                | <b>—</b> | <b>2</b> |
| The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted<br>If joint referral, _____ did not support recommendation.<br><div style="text-align: center; font-size: 0.8em; margin-left: 100px;">committee acronym(s)</div>          |   |                         |          |          |
| Vice Chair's or designee's signature: _____<br>   |   |                         |          |          |
| Distribution:            Original (White) – Committee            Duplicate (Yellow) – Chief Clerk's Office            Duplicate (Pink) – HMSO   |   |                         |          |          |