

STAND. COM. REP. NO.

2750

Honolulu, Hawaii

MAR 02 2012

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

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2115, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to adopt the recommendations of the Charter School Governance, Accountability, and Authority Task Force by repealing chapter 302B, Hawaii Revised Statutes, and establishing a new charter school law.

Written comments in support of this measure were submitted by the Department of Education; Board of Education; and Office of Hawaiian Affairs. Written comments in opposition to this measure were submitted by the State Procurement Office. Written comments on this measure were submitted by the Department of the Attorney General; Hawaii State Teachers Association; and Charter School Administrative Office.

Your Committee finds that this measure will strengthen Hawaii's charter school system and will move Hawaii's charter schools toward improved student outcomes. Your Committee recognizes that this measure continues to be a work in progress but believes that this measure will ultimately provide Hawaii with a strong charter school system that establishes clear lines of authority and ensures the accountability of all charter school stakeholders.

Your Committee has amended this measure by:

SB2115 SD1 SSCR LRB 12-1951.doc



- (1) Amending the definition of "organizational viability" by:
 - (A) Clarifying that the Board of Education (Board) sets the standards of student achievement pursuant to the Board's duties under article X, section 3, of the Constitution of the State of Hawaii; and
 - (B) Requiring that a charter school comply with all Board policies deemed applicable to charter schools by the Board;
- (2) Clarifying that charter schools that held charters under previous or existing charter school laws shall be considered charter schools for purposes of this measure under a charter contract with the State Public Charter School Commission (Commission) unless the charter contract is revoked, transferred to another authorizer, or not renewed, or the charter school voluntarily closes;
- (3) Clarifying that the Board may fill vacancies on the Commission at any time when a vacancy occurs due to resignation, non-participation, the request of a majority of the Commission members, or termination by the Board for cause;
- (4) Specifying the types of entities that are eligible to be charter school authorizers under this measure;
- (5) Clarifying that when a charter school purchases services from its authorizer, the authorizer shall provide the charter school with an itemized accounting of the final invoiced amount rather than of the actual costs of the services purchased;
- (6) Clarifying that when a charter school is transferred to a new authorizer due to revocation of the current authorizer's chartering authority, the new authorizer shall enter into a new charter contract with the charter school for the remaining term of the charter;



- (7) Requiring governing boards to post the minutes of their meetings within thirty days of the meeting rather than on a timely basis;
- (8) Clarifying that any Department of Education (Department) school, school community council, group of teachers and administrators, or nonprofit organization that applies to become a conversion charter school is required to provide the authorizer with a breakdown of the number of administrative, support, and teacher personnel, and parents that actually participated in the vote to convert to a charter school;
- (9) Clarifying that the majority vote of stakeholders shall be considered by the authorizer as the primary indication of stakeholder approval to convert to a charter school when the charter school applicant is a Department school, school community council, group of teachers and administrators, or nonprofit organization, and requiring that this vote be a key factor in an authorizer's decision to award a charter;
- (10) Clarifying that the governing board of a conversion charter school established by a nonprofit organization shall be comprised of the board of directors of the nonprofit organization;
- (11) Clarifying that the performance framework for the charter contract is developed by the authorizer;
- (12) Requiring that the performance framework include indicators, measures, and metrics for the organizational viability of the charter school;
- (13) Requiring the performance framework developed by an authorizer to allow for the inclusion of additional indicators proposed by the charter school; provided that the proposed indicators are consistent with the charter school's charter contract;
- (14) Requiring the Board, in its annual report to the Governor, Legislature, and the public, to include a comparison of charter school students' academic performance with the academic performance of



geographically comparable groups in Department public schools;

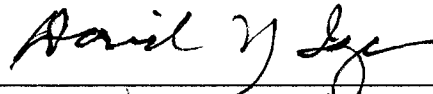
- (15) Clarifying that the Board shall establish minimum educational data reporting standards rather than procedures;
- (16) Removing the requirement that all charter schools comply with Board-established minimum reporting procedures by the beginning of the 2013-2014 school year;
- (17) Requiring that the minimum educational data reporting standards established by the Board include data required for the Department, as the state education agency, to meet all applicable federal reporting requirements;
- (18) Clarifying that governing boards of charter schools cannot bring suit against any other entity or agency of the State;
- (19) Requiring the Director of Finance to ensure that non-facility per-pupil general fund amounts allocated for the Department and charter school students are equal on an annualized fiscal year basis by:
 - (A) Determining the sum of general fund appropriations made for the Department and charter school student non-facility costs;
 - (B) Determining the sum of Department and charter school student enrollment based on reviewed and verified student enrollment counts as of October 15;
 - (C) Determining a per-pupil amount by dividing the sum of general fund appropriations by the sum of student enrollment;
 - (D) Transferring a general fund amount between the Department and charter schools that will provide each with a per-pupil allocation equal to the amount determined on an annualized fiscal year basis; and



- (E) Annually reporting to the Legislature, Governor, Department, and charter schools on all calculations and transfers made;
- (20) Repealing the charter schools account and requiring that any funds remaining in the account on the effective date of this measure be transferred to the general fund;
- (21) Clarifying that charter schools may elect to receive allocations calculated according to the Department's procedures and methodology used to calculate the weighted student formula allocation adopted pursuant to section 302A-1303.6, Hawaii Revised Statutes;
- (22) Clarifying that a student's parents or legal guardians are included in the student's individualized education program team;
- (23) Temporarily retaining the Charter School Administrative Office to properly transition from the current charter school system to the system established by this measure;
- (24) Making this measure effective upon its approval; provided that the establishment of the Charter School Administrative Office shall be repealed on July 1, 2013; and
- (25) Making technical nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2115, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2115, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,




DAVID Y. IGE, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2115, SD1	EDU, WAM	2-28 ⁹ -12		
<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
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
FUKUNAGA, Carol	✓			
KIM, Donna Mercado				✓
KAHELE, Gilbert				✓
KOUCHI, Ronald D.	✓			
RYAN, Pohai	✓			
TOKUDA, Jill N.	✓			
WAKAI, Glenn	✓			
SLOM, Sam	✓			
TOTAL	12	0	0	2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes