A BILL FOR AN ACT

RELATING TO EDUCATION.

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

	1	SECTION 1.	Chapter 302D	, Hawaii	Revised	Statutes	. i
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- 2 amended by adding five new sections to be appropriately
- 3 designated and to read as follows:
- 4 "\$302D-A Annual audit. Each charter school shall annually
- 5 complete an independent financial audit that complies with the
- 6 requirements of its authorizer and the department.
- 7 §302D-B Criminal history record checks. (a) The
- 8 commission shall develop procedures for obtaining verifiable
- 9 information regarding the criminal history of persons who are
- 10 employed or seeking employment in any position, including
- 11 teacher trainees, that places them in close proximity to
- 12 children. These procedures shall include criminal history
- 13 record checks in accordance with section 846-2.7. Information
- 14 obtained pursuant to this subsection shall be used exclusively
- 15 by the employer or prospective employer for the purpose of
- 16 determining whether a person is suitable for working in close
- 17 proximity to children. All such decisions shall be subject to
- 18 applicable federal laws and regulations.



- 1 (b) The employer or prospective employer may: 2 (1)Refuse to allow or continue to allow teacher training; 3 (2) Terminate the employment of any employee; or 4 (3) Deny employment to an applicant, 5 if the person has committed a crime, and if the employer or 6 prospective employer finds by reason of the nature and 7 circumstances of the crime, that the person poses a risk to the 8 health, safety, or well-being of children. Refusal, 9 termination, or denial may occur only after appropriate 10 investigation and notification to the employee or applicant of 11 the results and planned action and after the employee or 12 applicant is given an opportunity to meet and rebut the 13 findings. Nothing in this subsection shall abrogate any 14 applicable rights under chapter 76 or 89, or any administrative rule of the commission. 15 16 (c) Notwithstanding any other law to the contrary, for 17 purposes of this section, the commission shall be exempt from 18 section 831-3.1 and shall not be required to conduct 19 investigations, notifications, or hearings in accordance with 20 chapter 91.
- 22 not discriminate against any student or limit admission based on

§302D-C Enrollment. (a) A public charter school shall

SB244 HD1 HMS 2013-2796

1	race, col	or, ethnicity, national origin, religion, gender,
2	sexual or	ientation, income level, disability, level of
3	proficien	cy in the English language, need for special education
4	services,	or academic or athletic ability.
5	<u>(b)</u>	A start-up charter school:
6	(1)	Shall be open to any student residing in the State;
7	(2)	Shall enroll all students who submit an application,
8		unless the number of students who submit an
. 9		application exceeds the capacity of a program, class,
10		grade level, or building;
11	<u>(3)</u>	Shall select students through a public lottery if, as
12		described in paragraph (2), capacity is insufficient
13		to enroll all students who have submitted a timely
14		application;
15	(4)	May give an enrollment preference to students within a
16		given age group or grade level and may be organized
17		around a special emphasis, theme, or concept as stated
18		in the charter school's application and as approved by
19	•	the charter school's authorizer;
20	(5)	May give an enrollment preference to students enrolled
21		in the charter school during the previous school year

1		and to siblings of students already enrolled at the
2		charter school; and
3	<u>(6)</u>	May give any other enrollment preference permitted by
4		the charter school's authorizer, on an individual
5		charter school basis, if consistent with law;
6	provided	that nothing in this subsection shall preclude the
7	formation	of a start-up charter school whose mission is focused
8	on servin	g students with disabilities, who are of the same
9	gender, w	ho pose such severe disciplinary problems that they
10	warrant a	specific educational program, or who are at a risk of
11	academic	failure.
12	<u>(c)</u>	A conversion charter school shall:
13	(1)	Enroll any student who resides within the school's
14		former geographic service area pursuant to section
15		302A-1143, for the grades that were in place when the
16		public school converted to a charter school; provided
17		that the department may consult with a conversion
18	·	charter school every three years to determine whether
19		realignment of the charter school's service area is
20		appropriate given population shifts and the
21		department's overall service area reviews;

1	(2) Follow the department's procedures regarding
2	enrollment, including but not limited to geographic
3	exceptions and enrollment preferences; and
4	(3) Be subject to subsection (b) for grades that were not
5	in place when the school converted to a public charter
6	school.
7	§302D-D Rules. Unless otherwise provided for in this
8	chapter or chapter 302A, the commission may adopt rules pursuant
9	to chapter 91 to administer and implement this chapter; provided
10	that the board shall maintain exclusive rule-making authority
11	over state educational policy.
12	§302D-E Facilities funding. (a) Beginning with fiscal
13	year 2014-2015 and each fiscal year thereafter, the commission
14	may request facilities funding for charter schools as part of
15	its annual budget request to the director of finance.
16	(b) The legislature may make an appropriation based upon
17	the facilities funding request pursuant to subsection (a).
18	(c) The governor, pursuant to chapter 37, may impose
19	restrictions or reductions on appropriations for charter schools
20	similar to those imposed on other public schools.

1 (d) This section shall not limit the ability of the 2 director of finance to modify or amend any allotment pursuant to 3 chapter 37. 4 (e) The commission shall develop criteria to determine the 5 distribution of funds appropriated pursuant to subsection (b) to 6 the charter schools. The criteria shall include but not be 7 limited to distribution based on the need and performance of the 8 charter schools." 9 SECTION 2. Section 84-3, Hawaii Revised Statutes, is 10 amended by amending the definition of "employee" to read as 11 follows: 12 "Employee" means any nominated, appointed, or elected 13 officer or employee of the State, including members of boards, 14 commissions, and committees[, and]; employees under contract to 15 the State or of the constitutional convention[, but excluding]; and any person under an employment contract to serve as the 16 17 chief executive officer, chief administrative officer, executive 18 director, or designated head of a charter school. "Employee" 19 shall not include legislators, delegates to the constitutional 20

convention, justices, and judges."

- 1 SECTION 3. Section 302A-101, Hawaii Revised Statutes, is
- 2 amended by amending the definition of "public schools" to read
- 3 as follows:
- 4 ""Public schools" means all academic and noncollege type
- 5 schools established and maintained by the department and charter
- 6 schools [chartered by the board of education, in accordance with
- 7 law.] governed by chapter 302D."
- 8 SECTION 4. Section 302D-1, Hawaii Revised Statutes, is
- 9 amended as follows:
- 10 1. By amending the definitions of "authorizer", "charter
- 11 school or "public charter school", and "organizational
- 12 viability" to read:
- ""Authorizer" means an entity established under this
- 14 chapter with chartering authority to review charter
- 15 applications, decide whether to approve or [reject] deny charter
- 16 applications, enter into charter contracts with applicants,
- 17 oversee public charter schools, and decide whether to authorize,
- 18 [reauthorize,] renew, deny renewal of, or [reject] revoke
- 19 charter contracts. The term may include the commission when
- 20 appropriate.
- "Charter school" or "public charter school" refers to those
- 22 public schools and their respective governing boards, as defined



1 in this section, that are holding [charters] charter contracts 2 to operate as charter schools under this chapter, including 3 start-up and conversion charter schools, and that have the 4 flexibility and independent authority to implement alternative frameworks with regard to curriculum, facilities management, 5 6 instructional approach, virtual education, length of the school 7 day, week, or year, and personnel management. 8 "Organizational viability" means that a charter school: 9 (1)Has been duly constituted and operates in accordance 10 with its charter; 11 (2) Has a governing board established in accordance with 12 law and the charter school's charter; Employs sufficient faculty and staff to provide the 13 (3) 14 necessary educational program and support services to 15 operate the facility in accordance with its charter; 16 (4)Maintains accurate and comprehensive records regarding 17 students and employees as determined by its 18 authorizer; 19 (5) Meets appropriate standards of student achievement as 20 defined by the board pursuant to its duties under

article X, section 3, of the constitution of the State

of Hawaii:

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1	(0)	cooperates with board and authorizer requirements in
2		conducting its functions;
3	(7)	Complies with applicable federal, state, and county
4		laws and requirements;
5	(8)	In accordance with authorizer guidelines and
6		procedures, is financially sound and fiscally
7		responsible in its use of public funds, maintains
8		accurate and comprehensive financial records, operates
9		in accordance with generally accepted accounting
10		practices, and maintains a sound financial plan;
11	(9)	Operates within the scope of its charter contract and
12		fulfills obligations and commitments of its charter;
13	(10)	Complies with all health and safety laws and
14		requirements;
15	(11)	Complies with all authorizer directives, policies, and
16		procedures; and
17	(12)	Complies with all board policies deemed applicable to
18		charter schools by the board."
19	2.	By deleting the definition of "executive director".
20	[" <u>"</u>	xecutive director" means the executive director of the
21	state pub	lic-charter school commission."1

- 1 SECTION 5. Section 302D-3, Hawaii Revised Statutes, is
- 2 amended to read as follows:
- 3 "[+]\$302D-3[+] State public charter school commission;
- 4 establishment; appointment. (a) There is established the state
- 5 public charter school commission with statewide chartering
- 6 jurisdiction and authority. The commission shall be placed
- 7 within the department for administrative purposes only.
- 8 Notwithstanding section 302D-25 and any law to the contrary, the
- 9 commission shall be subject to chapter 92.
- 10 (b) The mission of the commission shall be to authorize
- 11 high-quality public charter schools throughout the State.
- 12 (c) The commission shall consist of nine members to be
- 13 appointed by the board. The board shall appoint members who
- 14 will be tasked with authorizing public charter schools that
- 15 serve the unique and diverse needs of public school students.
- 16 The chair of the commission shall be designated by the members
- 17 of the commission for each school year beginning July 1, and
- 18 whenever there is a vacancy. The board shall consider the
- 19 combination of abilities, breadth of experiences, and
- 20 characteristics of the commission, including but not limited to
- 21 reflecting the diversity of the student population, geographical

1	representation,	and	a	broad	representatio	n of	educati	on-rel	.ated

- 2 stakeholders.
- 3 (d) Understanding that the role of the commission is to
- 4 ensure a long-term strategic vision for Hawaii's public charter
- 5 schools, each nominee to the commission shall meet the following
- 6 minimum qualifications:
- 7 (1) Commitment to education. Each nominee's record should
 8 demonstrate a deep and abiding interest in education,
 9 and a dedication to the social, academic, and
 10 character development of young people through the
- administration of a high performing charter school
- 12 system;
- 13 (2) Record of integrity, civic virtue, and high ethical
- 14 standards. Each nominee shall demonstrate integrity,
- 15 civic virtue, and high ethical standards and be
- willing to hold fellow commission members to the same;
- 17 (3) Availability for constructive engagement. Each
- 18 nominee shall commit to being a conscientious and
- 19 attentive commission member; and
- 20 (4) Knowledge of best practices. Each nominee shall have
- 21 an understanding of best practices in charter school

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1		educational governance or shall be willing to be
2		trained in such.
3	(e)	Each nominee to the commission shall ideally meet the
4	following	recommended qualifications:
5	(1)	Experience governing complex organizations. Each

- nominee should possess experience with complex organizations, including but not limited to performance contract management, and a proven ability to function productively within them; and
- 10 (2) Collaborative leadership ability. Each nominee should
 11 have substantial leadership experience that ideally
 12 illustrates the nominee's ability to function among
 13 diverse colleagues as an effective team member, with
 14 the ability to articulate, understand, and help shape
 15 consensus surrounding commission policies.
- 16 (f) Five members of the commission shall constitute a
 17 quorum to conduct business and a concurrence of at least five
 18 members shall be necessary to make any action of the commission
 19 valid.
- 20 (g) Commission members shall serve not more than three21 consecutive three-year terms, with each term beginning on

- 1 July 1; provided that the initial terms that commence after
- 2 June 30, 2012, shall be staggered as follows:
- 3 (1) Three members, including the chairperson, to serve
- 4 three-year terms;
- 5 (2) Three members to serve two-year terms; and
- 6 (3) Three members to serve one-year terms.
- 7 (h) Notwithstanding the terms of the members, the board
- 8 may fill vacancies in the commission at any time when a vacancy
- 9 occurs due to resignation, non-participation, the request of a
- 10 majority of the commission members, or termination by the board
- 11 for cause.
- 12 (i) Commission members shall receive no compensation.
- 13 When commission duties require that a commission member take
- 14 leave of the member's duties as a state employee, the
- 15 appropriate state department shall allow the commission member
- 16 to be placed on administrative leave with pay and shall provide
- 17 substitutes, when necessary, to fulfill that member's
- 18 departmental duties. Members shall be reimbursed for necessary
- 19 travel expenses incurred in the conduct of official commission
- 20 business.
- 21 (j) [The commission shall establish operating procedures
- 22 that shall include conflict of interest procedures for any

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2 the commission.] Commission members shall disclose to the 3 commission a list of all charter schools in which the member is 4 an employee, governing board member, vendor, contractor, agent, 5 or representative. Any member having such a relationship to a 6 charter school that comes before the commission shall be 7 disqualified from voting on or participating in the discussion 8 on that charter school. 9 The commission shall operate with dedicated resources 10 and staff qualified to execute the day-to-day responsibilities 11 of the commission pursuant to this chapter. 12 The commission shall have the power to hire staff 13 without regard to chapters 76 and 89." 14 SECTION 6. Section 302D-5, Hawaii Revised Statutes, is

member whose school of employment or governing board is before

- 17 (1) Act as the point of contact between the department and
 18 a public charter school it authorizes and be
 19 responsible for the administration of all applicable
 20 state and federal laws;
- (2) Be responsible for and ensure the compliance of a
 public charter school it authorizes with all

amended by amending subsection (b) to read as follows:

"(b) An authorizer shall:

1		applicable state and federal laws, including reporting
2		requirements;
3	(3)	Be responsible for the receipt of applicable federal
4		funds from the department and the distribution of
5		funds to the public charter school it authorizes; and
6	(4)	Be responsible for the receipt of per-pupil funding
7		from the department of budget and finance and
8		distribution of the funding to the public charter
9		school it authorizes[+]; provided that funds
10		distributed to public charter schools shall be
11		considered expended."
12	SECT:	ION 7. Section 302D-6, Hawaii Revised Statutes, is
13	amended to	o read as follows:
14	" [-[] !	§302D-6[] Principles and standards for charter
15	authorizi	ng. All authorizers shall be required to [develop and
16	maintain (chartering policies and practices consistent with]
17	follow nat	tionally recognized principles and standards for
18	quality ch	harter authorizing in all major areas of authorizing
19	responsib:	ility <u>,</u> including:
20	(1)	Organizational capacity and infrastructure;
21	(2)	Soliciting and evaluating charter applications;
22	(3)	Performance contracting;

- (4) Ongoing public charter school oversight and
 evaluation; and
- 3 (5) Charter and charter contract renewal decision-making.
- 4 Authorizers shall carry out all their duties under this
- 5 chapter in a manner consistent with nationally recognized
- 6 principles and standards and with the spirit and intent of this
- 7 chapter. Evidence of material or persistent failure to do so
- 8 shall constitute grounds for losing charter authorizing powers."
- 9 SECTION 8. Section 302D-12, Hawaii Revised Statutes, is
- 10 amended as follows:
- 11 1. By amending subsection (a) to read:
- "(a) No more than [thirty per-cent] one-third of the
- 13 voting members of a governing board shall be employees of a
- 14 school or relatives of employees of a school under the
- 15 jurisdiction of that governing [board; provided that the chief
- 16 executive officer, chief administrative officer, executive
- 17 director, or otherwise designated head of a charter school may
- 18 serve as an ex officio, non voting member of the governing]
- 19 board. In selecting members, consideration shall be given to
- 20 persons who:
- 21 (1) Provide the governing board with a diversity of
- 22 perspective and a level of objectivity that accurately

1		represent the interests of the charter school students
2		and the surrounding community;
3	(2)	Demonstrate an understanding of best practices of non-
4		profit governance; and
5	(3)	Possess strong financial and academic management and
6		oversight abilities, as well as human resource and
7		fundraising experience."
8	2. 1	By amending subsection (d) to read:
9	"(d)	Governing boards and charter schools shall be exempt
10	from chap	ter 103D, but shall develop internal policies and
11	procedures	s for the procurement of goods, services, and
12	construct:	ion, consistent with the goals of public accountability
13	and public	c procurement practices. Governing boards and charter
14	schools a	re encouraged to use the provisions of chapter 103D
15	wherever p	possible; provided that the use of one or more
16	provisions	s of chapter 103D shall not constitute a waiver of the
17	exemption	from chapter 103D and shall not subject the charter
18	school to	any other provision of chapter 103D."
19	3. 1	By amending subsection (h) to read:
20	" (h)	For purposes of this section[, "employees" shall]:
21	<u>"Emp</u>	loyees" shall include but not be limited to the chief
22	executive	officer, chief administrative officer, executive

- 1 director, or otherwise designated head of a charter school [-]
- 2 and shall include any person under an employment contract to
- 3 serve as the chief executive officer, chief administrative
- 4 officer, executive director, or designated head of a charter
- 5 school.
- 6 "Relative" means a spouse, fiancé, or fiancée of the
- 7 employee; any person who is related to the employee within four
- 8 degrees of consanguinity; or the spouse, fiancé, or fiancée of
- 9 such person."
- 10 SECTION 9. Section 302D-13, Hawaii Revised Statutes, is
- 11 amended by amending subsections (c) and (d) to read as follows:
- 12 "(c) The start-up charter school charter application
- 13 process and schedule shall be determined by the authorizer, and
- 14 shall provide for and include, at a minimum, the following
- 15 elements:
- 16 (1) The submission of a letter of intent to operate a
- 17 start-up charter school;
- 18 (2) The [timely transmittal] availability of the charter
- 19 application form and completion guidelines [to] on the
- 20 [governing board;] authorizer's website;
- 21 (3) The timely submission of a completed charter
- 22 application to the authorizer;

1	(4)	The timely review of the charter application by the
2		authorizer for completeness, and notification by the
3		authorizer to the governing board that the charter
4		application is complete;
5	(5)	Upon receipt of a completed charter application, the
6		[convening of the commission, if applicable, by the
7		commission chairperson to begin] review and evaluation
8		of the charter application[+] by qualified persons;
9	(6)	Following the [submission] review and evaluation of a
10		charter application, [issuance of a charter or]
11		approval or denial of the charter application by the
12		authorizer [or if submitted to the commission, by
13		<pre>majority vote];</pre>
14	(7)	A provision for a final date by which a decision to
15		approve or deny a charter application must be made[7]
16		by the authorizer, upon receipt of a complete charter
17		application; and
18	(8)	A provision that no start-up charter school may begin
19		operation before obtaining authorizer approval of its
20		charter application and charter contract[-] and
21		fulfilling pre-opening requirements that may be
22		imposed by the authorizer.

1	(a)	A charter application to become a start-up charter
2	school sh	all meet the requirements of this subsection and
3	section 3	02D-25. The charter application shall, at a minimum,
4	include t	he following:
5	(1)	A description of employee rights and management issues
6		and a framework for addressing those issues that
7		protects the rights of employees;
8	(2)	A plan for identifying, recruiting, and retaining
9		highly qualified instructional faculty $[+]$, as defined
10		by the department;
11	(3)	A plan for identifying, recruiting, and selecting
12		students that is not exclusive, elitist, or
13		segregationist[+], and complies with this chapter;
14	(4)	The curriculum and instructional framework to be used
15		to achieve student outcomes, including an assessment
16		plan;
17	(5)	A plan for the assessment of student, administrative
18		support, and teaching personnel performance that:
19		(A) Recognizes the interests of the general public;
20		(B) Incorporates or exceeds the educational content
21		and performance standards developed by the
22		department for the public school system;

1		(C) Includes a system of faculty and staff
2		accountability that holds faculty and staff
3		individually and collectively accountable for
4		their performance, and that is at least
5		equivalent to the average system of
6		accountability in public schools throughout the
7		State; and
8		(D) Provides for program audits and annual financial
9		audits;
10	(6)	A governance structure for the charter school that
11		incorporates a conflict of interest policy and a plan
12		for periodic training to carry out the duties of
13		governing board members;
14	(7)	A description of the constitution of the governing
15		board, terms of governing board members, and the
16		process by which governing board members were
17		selected;
18	(8)	A financial plan based on the most recent fiscal
19		year's per-pupil charter school allocation that
20		demonstrates the ability to meet the financial
21		obligations of one-time, start-up costs and ongoing

1	costs such as monthly payrolls, faculty recruitment,
2	professional development, and facilities costs; and
3	(9) A facilities plan."
4	SECTION 10. Section 302D-14, Hawaii Revised Statutes, is
5	amended to read as follows:
6	"[+]§302D-14[+] Conversion charter schools; establishment.
7	(a) A conversion charter school may be established pursuant to
8	this section.
9	(b) Any department school, school community council, group
10	of teachers, group of teachers and administrators, or nonprofit
11	organization may submit a letter of intent to an authorizer to
12	convert a department school to a charter school, establish a
13	governing board as its governing body, and develop a charter
14	application pursuant to subsection (d).
15	(c) The conversion charter school charter application
16	process and schedule shall be determined by the authorizer, and
17	shall provide for and include the following elements:
18	(1) The submission of a letter of intent to convert to a
19	charter school;
20	(2) The [timely transmittal] availability of the charter

application form and completion guidelines [to] on the

[governing board;] authorizer's website;

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1	(3)	The	timely submission of a completed charter
2		appl	ication to the authorizer; provided that the
3		char	ter application shall include certification and
4		docu	mentation that the charter application was
5		appr	oved by a majority of the votes cast by existing
6		admi	nistrative, support, and teaching personnel, and
7		pare	ents of students at the existing department school
8		prov	rided that:
9		(A)	This vote shall be considered by the authorizer
10			to be the primary indication of the existing
11			administrative, support, and teaching personnel,
12			and parents' approval to convert to a charter
13			school;
14		(B)	The balance of stakeholders represented in the
15			vote and the [broad] extent of support received
16			in support of the conversion shall be $[a]$ key
17			[factor in an authorizer's decision] factors,
18			along with the applicant's proposed plans, to be
19			considered by the authorizer when deciding
20			whether to award a charter; and
21		(C)	A breakdown of the number of administrative,
22			support, and [teacher] teaching personnel, and

1		parents of students who constitute the existing
2	·	department school and the number [that] who
3		actually participated in the vote shall be
4		provided to the authorizer;
5	(4)	The timely review of the charter application by the
6		authorizer for completeness, and notification by the
7		authorizer to the governing board that the charter
8		application is complete;
9	(5)	Upon receipt of a completed charter application, the
10		[convening of the commission, if applicable, by the
11		commission chairperson to begin] review and evaluation
12		of the charter application[+] by qualified persons;
13	(6)	Following the [submission] review and evaluation of a
14		charter application, [issuance of a charter] approval
15		or denial of the charter application by the authorizer
16		[or if submitted to the commission, by majority vote];
17	(7)	A provision for a final date by which a decision of
18		whether to approve or deny a charter application must
19		be made by the authorizer, upon receipt of a complete
20		charter application; and
21	(8)	A provision that no conversion charter school may
22		begin operation before obtaining authorizer approval

1		of its charter and charter contract[-] and fulfilling
2		pre-opening requirements that may be imposed by the
3		authorizer.
4	(d)	A charter application to become a conversion charter
5	school sh	all meet the requirements of this subsection and
6	section 3	02D-25. The charter application shall include, at a
7	minimum,	the following:
8	(1)	A description of employee rights and management issues
9		and a framework for addressing those issues that
10		protects the rights of employees;
11	(2)	A plan for identifying, recruiting, and retaining
12		highly qualified instructional faculty[+], as defined
13		by the department;
14	(3)	A plan for identifying, recruiting, and selecting
15		students that is not exclusive, elitist, or
16		segregationist[+], and complies with this chapter;
17	(4)	The curriculum and instructional framework to be used
18		to achieve student outcomes, including an assessment
19		plan;
20	(5)	A plan for the assessment of student, administrative
21		support, and teaching personnel performance that:
22		(A) Recognizes the interests of the general public;

1		(B)	Incorporates or exceeds the educational content
2			and performance standards developed by the
3			department for the public school system;
4	•	(C)	Includes a system of faculty and staff
5			accountability that holds faculty and staff
6			individually and collectively accountable for
7			their performance, and that is at least
8			equivalent to the average system of
9			accountability in public schools throughout the
10			State; and
11		(D)	Provides for program audits and annual financial
12			audits;
13	(6)	A go	vernance structure for the charter school that
14		inco	rporates a conflict of interest policy and a plan
15		for	periodic training to carry out the duties of
16		gove	rning board members;
17	(7)	A de	scription of the constitution of the governing
18		boar	d, terms of governing board members, and the
19		proc	ess by which governing board members were
20		sele	cted;
21	(8)	A fi	nancial plan based on the most recent fiscal
22		year	's per-pupil charter school allocation that

1		demonstrates the ability to meet the financial
2		obligations of one-time, start-up costs and ongoing
3		costs such as monthly payrolls, faculty recruitment,
4		professional development, and facilities costs; and
5	(9)	A facilities plan.

- 6 (e) A nonprofit organization may submit a letter of intent
 7 to an authorizer to convert a department school to a conversion
 8 charter school, operate and manage the school, establish a
 9 governing board as its governing body, and develop a charter
 10 application pursuant to subsection (d); provided that:
- 11 (1) As the governing body of the conversion charter school, the governing board shall be the board of 12 13 directors of the nonprofit organization and shall not 14 be selected pursuant to section 302D-12. nonprofit organization may also appoint advisory 15 groups of community representatives for each school 16 **17** managed by the nonprofit organization; provided that 18 these groups shall not have governing authority over 19 the school and shall serve only in an advisory 20 capacity to the nonprofit organization;
 - (2) The charter application for each conversion charter school to be operated by the nonprofit organization

S.B. NO. 244 S.D. 2 H.D. 1

1	Silai	is be formulated, developed, and submitted by the
2	nong	profit organization, and shall be approved by a
3	majo	rity of the votes cast by existing administrative
4	supp	oort, and teaching personnel, and parents of [the]
5	stud	lents of the existing department school; provided
6	that	: :
7	(A)	This vote shall be considered by the authorizer
8		to be the primary indication of the existing
9		administrative, support, and teaching personnel,
10		and parents' approval to convert to a charter
11		school;
12	(B)	The balance of stakeholders represented in the
13		vote and the [broad] extent of support received
14		in support of the conversion shall be a key
15		factor, along with the applicant's proposed
16		plans, in an authorizer's decision to award a
17		charter; and
18	(C)	A breakdown of the number of administrative,
19		support, and [teacher] teaching personnel, and
20		parents of students who constitute the existing
21		department school and the number [that] who

1		actually participated in the vote shall be
2		provided to the authorizer;
3	(3)	The board of directors of the nonprofit organization,
4		as the governing body for the conversion charter
5		school that it operates and manages, shall have the
6		same protections that are afforded to the board in its
7		role as the conversion charter school governing body;
8	(4)	Any conversion charter school that is managed and
9		operated by a nonprofit organization shall be eligible
10		for the same federal and state funding as other public
11		schools; provided that [the nonprofit organization
12		makes a minimum annual] nothing in this section shall
13		prohibit a nonprofit organization from making a
14		contribution [of \$1 per pupil] toward the operation of
15		a conversion charter school [for every \$4 per pupil
16		allocated by the department of budget and finance for
17		the operation of the conversion charter school;
18		provided further that in no event shall the nonprofit
19		organization be required to contribute more than the
20		total required contribution per pupil per year. As
21		used in this paragraph, "total required contribution"
22		means:

1	•	(A) \$1,650 for school years 2012 2013 through 2015
2		2016; and
3		(B) \$1,815 for school years 2016-2017 through 2020-
4		2021]; and
5	(5)	If, at any time, the board of directors of the
6		nonprofit organization governing the conversion
7		charter school votes to discontinue its relationship
8		with the charter school, the charter school may submit
9		a revised charter application to the authorizer to
10		continue as a conversion <u>charter</u> school without the
11		participation of the nonprofit organization.
12	(f)	Any nonprofit organization that seeks to manage or
13	operate a	conversion charter school as provided in subsection
14	(e) shall	comply with the following at the time of charter
15	application	on:
16	(1)	Have bylaws or policies that describe the manner in
17		which business is conducted and policies that relate
18		to the management of potential conflict of interest
19		situations;
20	(2)	Have experience in the management and operation of
21	•	public or private schools or, to the extent necessary,

1		agree to obtain appropriate services from another
2		entity or entities possessing such experience;
3	(3)	Comply with all applicable federal, state, and county
4		laws, including licensure or accreditation, as
5	•	applicable; and
6	(4)	Comply with any other requirements prescribed by the
7		department to ensure adherence with applicable
8		federal, state, and county laws, and the purposes of
9		this chapter.
10	(g)	Any public school or schools, programs, or sections of
11	existing	public school populations that are part of a separate
12	Hawaiian	language immersion program using existing public school
13	facilitie	s may submit a letter of intent to an authorizer to
14	form a co	nversion charter school pursuant to this section.
15	(h)	In reviewing a charter application for a charter under
16	this sect	ion, an authorizer shall take into consideration the
17	constitut	ion of the applicant's governing board, terms of
18	governing	board members, and the process by which governing
19	board mem	bers were selected.

(i) In the event of a conflict between the provisions inthis section and other provisions in this chapter, this sectionshall control.

2 the authorizer shall not be allowed to amend or resubmit the 3 charter application to the authorizer during a given cycle, as 4 defined by the authorizer, except as provided in subsection 5 (e)(5); provided that an applicant shall have the right to 6 appeal the authorizer's denial of its charter application 7 pursuant to section 302D 15. 8 (k) [(j) In reviewing charter applications for a charter 9 under this section, an authorizer shall develop a schedule to 10 approve or deny a charter application by the end of the calendar 11 year for purposes of meeting any deadlines to request funding 12 from the legislature." 13 SECTION 11. Section 302D-15, Hawaii Revised Statutes, is 14 amended to read as follows: 15 "[+]§302D-15[+] Appeals; charter applications, [reauthorizations,] renewals, or revocations. (a) The board 16 **17** shall have the power to decide appeals of decisions by an 18 authorizer to deny the approval of a charter application, deny 19 [reauthorization] renewal of a charter [school,] contract, or 20 revoke a charter school's charter[-] contract. An appeal shall 21 be filed with the board within twenty-one calendar days of the 22 receipt of the notification of denial or revocation. Only a

(j) Any applicant whose charter application is denied by

- 1 party whose charter application has been denied, whose
- 2 [reauthorization] charter contract renewal has been denied, or
- 3 whose charter contract has been revoked may initiate an appeal
- 4 under this section for cause. The board shall review an appeal
- 5 and issue a final decision within sixty calendar days of the
- 6 filing of the appeal. [The board may adopt applicable rules and
- 7 procedures pursuant to chapter 91 for implementing the appeals
- 8 process.
- 9 (b) The board shall serve as the final arbitrator of
- 10 appeals authorized by subsection (a).
- 11 (c) A party shall not be entitled to a hearing before the
- 12 board under this section until it has exhausted all available
- 13 administrative remedies.
- 14 (d) The board shall adopt rules pursuant to chapter 91 to
- 15 implement this section."
- 16 SECTION 12. Section 302D-16, Hawaii Revised Statutes, is
- 17 amended as follows:
- 18 1. By amending subsection (a) to read:
- 19 "(a) The performance provisions within the charter
- 20 contract shall be based on a performance framework that clearly
- 21 sets forth the academic and operational performance indicators,
- 22 measures, and metrics that will guide the authorizer's

S.B. NO. 244 S.D. 2

1 evaluations of each public charter school. The performance 2 framework, as established by the authorizer, shall include 3 indicators, measures, and metrics for, at a minimum: 4 (1)Student academic proficiency; 5 (2) Student academic growth; 6 (3) Achievement gaps in proficiency and growth between 7 major student subgroups; 8 (4)Attendance: 9 (5) [Recurrent enrollment from year to year;] Enrollment 10 variance; 11 Postsecondary readiness, as applicable for high (6) 12 schools; 13 (7) Financial performance and sustainability; 14 Performance and stewardship, including compliance with (8) 15 all applicable laws, rules, and terms of the charter 16 contract; and 17 (9) Organizational viability." 18 2. By amending subsection (d) to read: 19 The performance framework shall require the 20 disaggregation of all student performance data by major student

subgroups, [including gender, race, poverty status, special

- 1 education status, English as a second language status, and
- 2 gifted and talented status.] as determined by the board."
- 3 SECTION 13. Section 302D-18, Hawaii Revised Statutes, is
- 4 amended as follows:
- 5 1. By amending subsections (b) and (c) to read:
- 6 "(b) [No later than September 1, the] The authorizer shall
- 7 issue a charter school performance report and charter contract
- 8 renewal application guidance to any charter school whose charter
- 9 contract will expire the following year. The performance report
- 10 shall summarize the charter school's performance record to date,
- 11 based on the data required by this chapter and the charter
- 12 contract, and shall provide notice of any weaknesses or concerns
- 13 perceived by the authorizer concerning the charter school that
- 14 may jeopardize its position in seeking renewal [if not timely
- 15 rectified. The charter school shall have thirty days to respond
- 16 to the performance report and submit any corrections or
- 17 clarifications for the report].
- (c) The renewal application guidance shall, at a minimum,
- 19 provide an opportunity for the public charter school to:
- 20 (1) Submit any corrections or clarifications to the
- 21 performance report;

1	$\left[\frac{(1)}{(2)}\right]$ Present additional evidence, beyond the data
2	contained in the performance report, supporting its
3	case for charter renewal;
4	$[\frac{(2)}{(3)}]$ Describe improvements undertaken or planned for
5	the school; and
6	$[\frac{(3)}{(4)}]$ Detail the charter school's plans for the next
7	charter term."
8	2. By amending subsection (e) to read:
9	"(e) No later than [March 1,] thirty days after the
10	issuance of the performance report, the governing board of a
11	charter school seeking renewal shall submit a renewal
12	application to the authorizer pursuant to the renewal guidance
13	issued by the authorizer. The authorizer shall decide whether
14	or not to renew the charter no later than forty-five days after
15	the filing of the renewal application."
16	3. By amending subsections (h), (i), and (j) to read:
17	"(h) An authorizer shall develop revocation and non-
18	renewal processes that:
19	(1) Provide [the] charter contract holders with a timely
20	notification of the prospect of revocation or non-
21	renewal and the reasons for such possible closure;

_	(2)	ALTOW [cite] charter contract horders a reasonable
2		amount of time in which to prepare a response;
3	(3)	Provide [the] charter contract holders with an
4		opportunity to submit documents and give testimony
5		challenging the rationale for closure and supporting
6		the continuation of the school at an orderly
7		proceeding held for that purpose;
8	(4)	Allow charter contract holders access to
9		representation by counsel, subject to section 28-8.3,
10		and to call witnesses on their behalf;
11	(5)	Permit the recording of proceedings described in
12		paragraph (3); and
13	(6)	After a reasonable period for deliberation, require a
14		final determination to be made and conveyed in writing
15		to the charter contract holders.
16	(i)	If an authorizer revokes or does not renew a
17	charter[7] contract, the authorizer shall clearly state in
18	writing t	he reasons for the revocation or nonrenewal.

19 (j) Within fifteen days of taking action to renew, not to renew, or to revoke a charter[τ] contract, the authorizer shall 20 21 report to the board the action taken, and shall simultaneously 22 provide a copy of the report to the charter school. The report SB244 HD1 HMS 2013-2796

S.B. NO. S.D. 2 H.D. 1

1	shall set forth the action taken and reasons for the decision
2	and assurances as to compliance with all the requirements set
3	forth in this chapter."
4	SECTION 14. Section 302D-21, Hawaii Revised Statutes, is
5	amended to read as follows:
6	"[+]\$302D-21[+] Annual board report. No later than twenty
7	days prior to the convening of each regular session of the
8	legislature, the board shall issue to the governor, the
9	legislature, and the public, an annual report on the State's
10	public charter schools, drawing from the annual reports
11	submitted by every authorizer, as well as any additional
12	relevant data compiled by the board, for the school year ending
13	in the preceding calendar year. The annual report shall
14	include:
15	(1) A comparison of the performance of public charter
16	school students with the performance of [academically,
17	ethnically, geographically, and economically
18	comparable groups comparable subgroups of students in
19	public schools governed by chapter 302A;
20	(2) The board's assessment of the successes, challenges,
21	and areas for improvement in meeting the purposes of

this chapter, including the board's assessment of the

22

1		sufficiency of funding for public charter schools, and
2		any suggested changes in state law or policy necessary
3		to strengthen the State's public charter schools;
4	(3)	A line-item breakdown of all federal funds received by
5		the department and distributed to authorizers;
6	(4)	Any concerns regarding equity and recommendations to
7		improve access to and distribution of federal funds to
8		public charter schools; and
9	(5)	A discussion of all board policies adopted in the
10		previous year, including a detailed explanation as to
11		whether each policy is or is not applicable to charter
12		schools."
13	SECT	ION 15. Section 302D-31, Hawaii Revised Statutes, is
14	amended t	o read as follows:
15	" [-[-]	§302D-31[] Sports. Athletics. The department shall
16	provide s	tudents at charter schools, including students enrolled
17	at charte	r schools whose curriculum incorporates virtual
18	education	, with the same opportunity to participate in athletics
19	as is pro	vided to students at other public schools. If a
20	student a	t [a] any charter school wishes to participate in a
21	sport for	which there is no program at the charter school, the
22	departmen	t shall allow that student to participate in a
	SB244 HD1	HMS 2013-2796

S.B. NO. S.D. 2

1 comparable program of any public school in the complex in which 2 the charter school is located[-] or at the public school in the 3 service area in which the student resides. All charter school 4 students participating in athletics shall abide by all rules, 5 regulations, and policies of the athletic league, association, 6 and program applicable to the public school in whose athletic 7 program the student is participating." 8 SECTION 16. Section 378-2.5, Hawaii Revised Statutes, is 9 amended by amending subsection (d) to read as follows: 10 Notwithstanding subsections (b) and (c), the 11 requirement that inquiry into and consideration of a prospective 12 employee's conviction record may take place only after the 13 individual has received a conditional job offer, and the 14 limitation to the most recent ten-year period, excluding the 15 period of incarceration, shall not apply to employers who are 16 expressly permitted to inquire into an individual's criminal 17 history for employment purposes pursuant to any federal or state 18 law other than subsection (a), including: 19 (1)The State or any of its branches, political 20 subdivisions, or agencies pursuant to sections 78-2.7

and 831-3.1;

21

1	(2)	The department of education pursuant to section 302A-
2		601.5;
3	(3)	The department of health with respect to employees,
4		providers, or subcontractors in positions that place
5		them in direct contact with clients when providing
6		non-witnessed direct mental health services pursuant
7		to section 321-171.5;
8	(4)	The judiciary pursuant to section 571-34;
9	(5)	The counties pursuant to section 846-2.7(b)(5),
10		$[\frac{(32)}{7}]$ (33), (34), $[\frac{and}{2}]$ (35) $[\frac{1}{7}]$, and (36);
11	(6)	Armed security services pursuant to section 261-17(b)
12	(7)	Providers of a developmental disabilities domiciliary
13		home pursuant to section 333F-22;
14	(8)	Private schools pursuant to sections 302C-1 and 378-
15		3(8);
16	(9)	Financial institutions in which deposits are insured
17		by a federal agency having jurisdiction over the
18		financial institution pursuant to section 378-3(9);
19	(10)	Detective agencies and security guard agencies
20		pursuant to sections 463-6(b) and 463-8(b);
21	(11)	Employers in the business of insurance pursuant to
22		section 431:2-201.3;

1	(12)	Employers of individuals or supervisors of individuals
2		responsible for screening passengers or property under
3		Title 49 United States Code section 44901 or
4		individuals with unescorted access to an aircraft of
5		an air carrier or foreign carrier or in a secured area
6		of an airport in the United States pursuant to Title
7		49 United States Code section 44936(a);
8	(13)	The department of human services pursuant to sections
9		346-97 and 352-5.5;
10	(14)	The public library system pursuant to section 302A-
11	•	601.5;
12	(15)	The department of public safety pursuant to section
13		353C-5;
14	(16)	The board of directors of a cooperative housing
15		corporation or the manager of a cooperative housing
16		project pursuant to section 421I-12;
17	(17)	The board of directors of an association of owners
18		under chapter 514A or 514B, or the manager of a
19		condominium project pursuant to section 514A-82.1 or
20		514B-133; and
21	(18)	The department of health pursuant to section 321-
22		15.2."

1	SECT.	ION 17. Section 846-2.7, Hawaii Revised Statutes, is
2	amended by	y amending subsection (b) to read as follows:
3	" (b)	Criminal history record checks may be conducted by:
4	(1)	The department of health or the department's designee
5		on operators of adult foster homes or developmental
6		disabilities domiciliary homes and their employees, as
7		provided by section 333F-22;
8	(2)	The department of health or the department's designee
9		on prospective employees, persons seeking to serve as
10		providers, or subcontractors in positions that place
11		them in direct contact with clients when providing
12		non-witnessed direct mental health services as
13		provided by section 321-171.5;
14	(3)	The department of health or the department's designee
15		on all applicants for licensure for, operators for,
16		prospective employees, and volunteers at one or more
17		of the following: skilled nursing facility,
18		intermediate care facility, adult residential care
19		home, expanded adult residential care home, assisted
20		living facility, home health agency, hospice, adult
21		day health center, special treatment facility,
22		therapeutic living program, intermediate care facility

1		for individuals with intellectual disabilities,
2		hospital, rural health center and rehabilitation
3		agency, and, in the case of any of the above
4	•	facilities operating in a private residence, on any
5		adult living in the facility other than the client as
6		provided by section 321-15.2;
7	(4)	The department of education on employees, prospective
8		employees, and teacher trainees in any public school
9		in positions that necessitate close proximity to
10		children as provided by section 302A-601.5;
11	(5)	The counties on employees and prospective employees
12		who may be in positions that place them in close
13		proximity to children in recreation or child care
14		programs and services;
15	(6)	The county liquor commissions on applicants for liquor
16		licenses as provided by section 281-53.5;
17	(7)	The county liquor commissions on employees and
18		prospective employees involved in liquor
19		administration, law enforcement, and liquor control
20		investigations;
21	(8)	The department of human services on operators and
22		employees of child caring institutions, child placing

1		organizations, and foster boarding homes as provided
2		by section 346-17;
3	(9)	The department of human services on prospective
4		adoptive parents as established under section
5		346-19.7;
6	(10)	The department of human services on applicants to
7		operate child care facilities, prospective employees
8	·	of the applicant, and new employees of the provider
9		after registration or licensure as provided by section
10		346-154;
11	(11)	The department of human services on persons exempt
12		pursuant to section 346-152 to be eligible to provide
13		child care and receive child care subsidies as
14		provided by section 346-152.5;
15	(12)	The department of human services on operators and
16		employees of home and community-based case management
17		agencies and operators and other adults, except for
18		adults in care, residing in foster family homes as
19		provided by section 346-335;
20	(13)	The department of human services on staff members of
21		the Hawaii youth correctional facility as provided by
22		section 352-5.5;

1	(14)	The department of human services on employees,
2		prospective employees, and volunteers of contracted
3		providers and subcontractors in positions that place
4		them in close proximity to youth when providing
5		services on behalf of the office or the Hawaii youth
6		correctional facility as provided by section 352D-4.3;
7	(15)	The judiciary on employees and applicants at detention
8		and shelter facilities as provided by section 571-34;
9	(16)	The department of public safety on employees and
10		prospective employees who are directly involved with
11		the treatment and care of persons committed to a
12	•	correctional facility or who possess police powers
13		including the power of arrest as provided by section
14		353C-5;
15	(17)	The board of private detectives and guards on
16		applicants for private detective or private guard
17		licensure as provided by section 463-9;
18	(18)	Private schools and designated organizations on
19		employees and prospective employees who may be in
20		positions that necessitate close proximity to
21		children; provided that private schools and designated
22		organizations receive only indications of the states

1		from which the national criminal history record
2		information was provided pursuant to section 302C-1;
3	(19)	The public library system on employees and prospective
4		employees whose positions place them in close
5		proximity to children as provided by section
6		302A-601.5;
7	(20)	The State or any of its branches, political
8		subdivisions, or agencies on applicants and employees
9		holding a position that has the same type of contact
10		with children, vulnerable adults, or persons committed
11		to a correctional facility as other public employees
12		who hold positions that are authorized by law to
13		require criminal history record checks as a condition
14		of employment as provided by section 78-2.7;
15	(21)	The department of human services on licensed adult day
16		care center operators, employees, new employees,
17		subcontracted service providers and their employees,
18		and adult volunteers as provided by section 346-97;
19	(22)	The department of human services on purchase of
20		service contracted and subcontracted service providers
21		and their employees serving clients of the adult and

1		community care services branch, as provided by section
2		346-97;
3	(23)	The department of human services on foster grandparent
4		program, retired and senior volunteer program, senior
5		companion program, and respite companion program
6		participants as provided by section 346-97;
7	(24)	The department of human services on contracted and
8		subcontracted service providers and their current and
9		prospective employees that provide home and community-
10		based services under section 1915(c) of the Social
11		Security Act, Title 42 United States Code section
12		1396n(c), or under any other applicable section or
13		sections of the Social Security Act for the purposes
14		of providing home and community-based services, as
15		provided by section 346-97;
16	(25)	The department of commerce and consumer affairs on
17		proposed directors and executive officers of a bank,
18		savings bank, savings and loan association, trust
19		company, and depository financial services loan
20		company as provided by section 412:3-201;
21	(26)	The department of commerce and consumer affairs on
22		proposed directors and executive officers of a

1		nondepository financial services loan company as
2		provided by section 412:3-301;
3	(27)	The department of commerce and consumer affairs on the
4		original chartering applicants and proposed executive
5		officers of a credit union as provided by section
6		412:10-103;
7	(28)	The department of commerce and consumer affairs on:
8		(A) Each principal of every non-corporate applicant
9		for a money transmitter license; and
10		(B) The executive officers, key shareholders, and
11		managers in charge of a money transmitter's
12		activities of every corporate applicant for a
13		money transmitter license,
14		as provided by section 489D-9;
15	(29)	The department of commerce and consumer affairs on
16		applicants for licensure and persons licensed under
17		title 24;
18	(30)	The Hawaii health systems corporation on:
19		(A) Employees;
20		(B) Applicants seeking employment;
21		(C) Current or prospective members of the corporation
22		board or regional system board; or

1		(D) Current or prospective volunteers, providers, or
2		contractors,
3		in any of the corporation's health facilities as
4		provided by section 323F-5.5;
5	(31)	The department of commerce and consumer affairs on:
6		(A) An applicant for a mortgage loan originator
7		license; and
8		(B) Each control person, executive officer, director,
9		general partner, and manager of an applicant for
10		a mortgage loan originator company license,
11		as provided by chapter 454F;
12	(32)	The state public charter school commission or public
13		charter schools on employees, teacher trainees,
14		prospective employees, and prospective teacher
15		trainees in any public charter school for any position
16		that places them in close proximity to children, as
17		provided in section 302D-B;
18	[-(32)-]	(33) The counties on prospective employees who work
19		with vulnerable adults or senior citizens in
20		community-based programs;

1	[(33)]	(34) The counties on prospective employees for fire
2		department positions which involve contact with
3		children or dependent adults;
4	[(34)]	(35) The counties on prospective employees for
5		emergency medical services positions which involve
6		contact with children or dependent adults;
7	[(35)]	(36) The counties on prospective employees for
8		emergency management positions and community
9.		volunteers whose responsibilities involve planning and
10		executing homeland security measures including
11		viewing, handling, and engaging in law enforcement or
12		classified meetings and assisting vulnerable and
13		disabled citizens during emergencies or crises; and
14	[-(36)-]	(37) Any other organization, entity, or the State,
15		its branches, political subdivisions, or agencies as
16		may be authorized by state law."
17	SECT	ION 18. Section 302D-22, Hawaii Revised Statutes, is
18	repealed.	
19	[" [S :	302D-22] Board as final arbitrator. (a) The board
20	shall-ser	ve as the final arbitrator of those appeals listed in
21	section 3	02D-15.

- 1 (b) A party shall not be entitled to a hearing before the
- 2 board under this section until it has exhausted all available
- 3 administrative remedies.
- 4 (c) The board shall adopt applicable rules and procedures
- 5 pursuant to chapter 91 for implementing this section."]
- 6 SECTION 19. In codifying the new sections added by section
- 7 1 of this Act, the revisor of statutes shall substitute
- 8 appropriate section numbers for the letters used in designating
- 9 the new sections in this Act.
- 10 SECTION 20. Statutory material to be repealed is bracketed
- 11 and stricken. New statutory material is underscored.
- 12 SECTION 21. This Act shall take effect on July 1, 2050.

Report Title:

Education; Charter Schools

Description:

Establishes provisions for charter schools relating to annual independent financial audits, criminal history record checks, enrollment, conflicts of interest and disclosure, facilities funding, and hiring. Makes amendments to the State's Charter School Law for clarity and consistency. Effective July 1, 2050. (SB244 HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.