

Honolulu, Hawaii

February 15, 2013

RE: H.B. No. 674
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Education, to which was referred H.B. No. 674 entitled:

"A BILL FOR AN ACT RELATING TO EDUCATION,"

begs leave to report as follows:

The purpose of this measure is to further refine Hawaii's newly nascent charter school law by, among other things, requiring charter schools to complete an annual independent financial audit, permitting charter schools to carry over up to five percent of specified appropriations, and making various housekeeping amendments to chapter 302D, Hawaii Revised Statutes.

The Board of Education and National Association of Charter School Authorizers supported this bill. The State Public Charter School Commission, Hawaii State Ethics Commission, and a concerned individual provided comments.

Your Committee has amended this measure by:

- (1) Deleting provisions permitting charter schools to carry over up to five percent of any appropriation, with specified exceptions;
- (2) Clarifying that the authorization of specified actions against an employee, teacher trainee, or prospective employee is permissible if a criminal history record



check indicates that the employee, teacher trainee, or prospective employee has been convicted of a crime;

- (3) Deleting provisions referring to the use of criminal history record checks of persons employed continuously by a charter school prior to July 1, 1990, because no charter school was in existence prior to 1990;
- (4) Authorizing a start-up charter school to give specified enrollment preferences as stated in the charter contract, rather than as stated in the charter school's application and as approved by the authorizer;
- (5) Authorizing a start-up charter school to give enrollment preferences to the children of the charter school's employees;
- (6) Amending the definition of "employee" under Hawaii's Standards of Conduct Law to include any person under an employment contract to provide leadership or managerial services to a charter school;
- (7) Specifying that per-pupil funding distributed to charter schools are considered expended; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 674, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 674, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Education,



ROY M. TAKUMI, Chair



