

ACT 187

S.B. NO. 2218

A Bill for an Act Relating to New Century Charter Schools.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 302A, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§302A- Charter school reviewal guidelines. The board of education shall adopt guidelines under which new charter schools shall be reviewed by the board, upon their formation under section 302A-1182 or 302A-1183. The guidelines shall include such elements as:

- (1) Minimum school size;
- (2) Assurance that each school will be able to account for the funds allocated;
- (3) Assurance that each school will be held accountable for student performance; and
- (4) Assurance that each school will meet legal standards for the expenditure of state funds;

provided that the guidelines provide clear responsibilities for the expenditure of federal and any other non-state funds.”

SECTION 2. Section 26-35.5, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) For purposes of this section, “member” means any person who is appointed, in accordance with the law, to serve on a temporary or permanent state board, including members of the local school board of any new charter school

established under section 302A-1182, council, authority, committee, or commission, established by law or elected to the board of trustees of the employees' retirement system under section 88-24; provided that "member" shall not include any person elected to serve on a board or commission in accordance with chapter 11."

SECTION 3. Section 302A-1182, Hawaii Revised Statutes, is amended by amending subsections (c) and (d)¹ to read as follows:

"(c) The local school board shall formulate and develop a detailed implementation plan, which shall include but not be limited to the following:

- (1) A description of the administrative and educational framework, and which provides for the basic protection of employees and their reasonable academic freedoms;
- (2) A plan for identifying, recruiting, and selecting students to make certain that student participation is not exclusive, elitist, or segregationalist;
- (3) A plan for [assessing student performance that focuses upon] a comprehensive assessment and accountability system that meets or exceeds² the established state educational content and performance standards[, has at least equivalent rigor of standards and technical quality,] as well as any other specific student outcomes to be achieved, and making this plan accountable to the general public;
- (4) The curriculum, instructional framework, and assessment mechanisms to be used to achieve student outcomes;
- (5) A plan to hold the school, its faculty, and staff (collectively and individually) accountable in at least an equivalent manner as are other public schools throughout the State;
- (6) A governance structure of the school;
- (7) A facilities management plan that is consistent with the state facilities plan; provided that if the facilities management plan includes use of existing school facilities, the new century charter school shall receive authorization from the administrator responsible for the facilities; provided further that the final determination of use shall be under the discretion of the board; and
- (8) [Annual] A system of financial accountability that includes annual financial and program audits.

The detailed implementation plan shall be approved by sixty per cent of the school's existing administrative, support, and teaching personnel, and parents; provided that the school personnel may request their bargaining unit representative to certify and conduct the elections for their respective bargaining units. Once approved, the detailed implementation plan shall be submitted to the board for review.

(d) The board shall have [thirty] sixty days to review the completed implementation plan for the proposed new century charter school to assure its compliance with subsection (c) and section 302A-1184. Unless the board finds that the plan conflicts with subsection (c) or section 302A-1184, the governor, the superintendent, and the board shall issue a charter designating the proposed new century charter school as a new century charter school within thirty days, and the proposed implementation plan shall be converted to a written performance contract between the school and the board. If, within thirty days after the submission of the plan, the board finds a conflict with subsection (c) or section 302A-1184, it shall notify the local school board of the finding in writing to enable the local school board to appropriately amend the plan to resolve the conflict.

(e) The new century charter schools shall not charge tuition. The State shall afford the local school board of any new century charter school the same protections as the State affords to the board.”

SECTION 4. Section 302A-1183, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) As an alternative to section 302A-1182(b), any community, group of teachers, or any program within an existing school may submit a letter of intent to the board for the establishment of a new century charter school.”

SECTION 5. Section 302A-1185, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

“(a) New century charter schools shall receive an allocation of state general funds based upon the operational and educational funding requirements of the schools; provided that:

- (1) Beginning in fiscal year 1999-2000, and every year thereafter, the auditor shall determine the appropriate allocation based on the total department general fund appropriation and per pupil expenditure for the previous year; provided that in setting the allocation, the auditor shall explicitly consider the advice of the superintendent and representatives of local school boards and indicate in the final determination the manner in which that advice was accommodated.
- (2) Small schools with less than one hundred twenty students shall be given a state subsidy or small school allotment, as determined by the department, to augment the per pupil allocation given; provided that if additional federal grant moneys are received, the auditor shall determine the appropriate portion of the federal grant moneys to be used to offset the small school allotment; provided further that the federal grant moneys shall not include federal impact aid;
- (3) The department may provide a limited start-up and planning grant formulated by the auditor to a charter school upon the issuance of its charter;
- [(3)] (4) The auditor shall take into consideration any changes to the department’s budget made by the legislature or the governor and any applicable collective bargaining negotiated amounts; [and]
- [(4)] (5) The allocation for self-contained special education students and for other special education students shall be adjusted appropriately to reflect the additional expenses incurred for students in these programs; provided that any increment to the per pupil allocation made in this paragraph shall not exceed [that] the increment available to all other public schools[.]; and
- (6) The auditor shall develop a methodology for allocating funds that can be applied to alternative forms of public schools, including but not limited to new century charter schools.

(b) All federal and other financial support for new century charter schools shall be no less than all other public schools; provided that if administrative services are provided to the charter school by the department, the charter school shall reimburse the department for the actual costs of the administrative services in an amount that does not exceed six and one-half per cent of the charter school’s allocation.

Any new century charter school shall be eligible to receive any supplementary financial grant or award for which any other public school may submit a proposal, or any supplemental federal grants limited to new century charter schools; provided that if department administrative services, including funds management,

budgetary, fiscal accounting, or other related services, are provided with respect to these supplementary grants, the charter school shall reimburse the department for the actual costs of the administrative services in an amount that does not exceed six and one-half per cent of the supplementary grant for which the services are used.

All additional funds that are generated by the local school [board] boards, not from a supplementary grant, shall be separate and apart from allotted funds [[and]] may be expended at the discretion of the local school [board.] boards.”

SECTION 6. Section 302A-1186, Hawaii Revised Statutes, is amended to read as follows:

“[[§302A-1186]] **New century charter schools; self-evaluation.** (a) Every new century charter school shall conduct self-evaluations annually. The self-evaluation process shall include but not be limited to:

- (1) The identification and adoption of benchmarks to measure and evaluate administrative and instructional programs as provided in this section;
- (2) The identification of any administrative and legal barriers to meeting the benchmarks, as adopted, and recommendations for improvements and modifications to address the barriers; [and]
- (3) The impact of any changes made upon the students of the new century charter school[.]; and
- (4) A profile of the charter school's enrollment and community it serves.

Every new century charter school shall submit a report of its self-evaluation to the board within sixty days after the completion of the school year; provided that the department shall have thirty days to respond to any recommendation regarding improvements and modifications that would directly impact the department.

(b) The board shall initiate an independent evaluation of each new century charter school four years after its establishment and every four years thereafter to assure compliance with statewide student content and performance standards and fiscal accountability; provided that each new century charter school established prior to July 1, 1998, shall be evaluated four years after July 1, 1998, and every four years thereafter. Upon a determination by the board that student achievement within a new century charter school does not meet the student performance standards, or that the new century charter school is not fiscally responsible, a new century charter school shall be placed on probationary status and shall have two years to bring student performance into compliance with statewide standards and improve the school's fiscal accountability. If a new century charter school fails to meet its probationary requirements, or fails to comply with any of the requirements of this section, the board, upon a two-thirds majority vote, may then deny the continuation of the new century charter school.”

SECTION 7. Section 1 of this Act shall not apply to charter schools in existence prior to the effective date of this Act.

SECTION 8. Statutory material to be repealed is bracketed. New statutory material is underscored.³

SECTION 9. This Act shall take effect on July 1, 2000, and, except as provided in section 7, shall apply to new century charter schools beginning with the 2000-2001 school year.

(Approved June 7, 2000.)

Notes

1. So in original.
2. “That meets or exceeds” should be underscored.
3. Edited pursuant to HRS §23G-16.5.