
A BILL FOR AN ACT

RELATING TO EDUCATION.

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

1 SECTION 1. The legislature finds that its underlying
2 objectives in authorizing the establishment of public charter
3 schools were to:

4 (1) Improve student learning;

5 (2) Encourage the use of different and innovative
6 teaching methods;

7 (3) Create new professional opportunities for
8 teachers, including the opportunity to be
9 responsible for the learning program at a school
10 site;

11 (4) Provide parents and students with expanded choices
12 in the types of educational opportunities that
13 are available within the State's statewide system
14 of public schools; and

15 (5) Provide a venue for promoting the study of
16 Hawaii's culture, history, and language.

17 The legislature finds that charter schools provide an
18 alternative and successful means of receiving a public



1 education. Strengthening our charter school laws will bring
2 more federal funding to charter schools, leading to even better
3 educational opportunities.

4 The purposes of this Act is to increase the number of new
5 public charter schools, to establish permanent facilities
6 funding for public charter schools and transfer authority of the
7 Charter School Administrative Office to the Charter School
8 Review Panel.

9 In enacting this Act, it is the intention of the
10 legislature to provide public charter schools with sufficient
11 resources and support, and clear directions for their governance
12 and administration to sustain their efforts to develop an
13 alternative learning environment, school setting, curriculum,
14 and educational services specifically suited to the needs of
15 their students, and provide parents and students with an
16 additional academic choices.

17 SECTION 2. Chapter 302B, Hawaii Revised Statutes, is
18 amended by adding a new section to be appropriately designated
19 and to read as follows:

20 "§302B-A Facilities funding and fiscal support. (a)
21 The budget request for facilities, respectively, shall be based
22 upon:



1 (1) The total enrollment of regular education and
2 special education students at charter schools,
3 verified as of October 15 of the current school
4 year;

5 (2) The sums appropriated to the department for the
6 most recently completed fiscal year for
7 instructional activities, physical plant
8 operations and maintenance, and facilities, less
9 so much of such sums as are appropriated for
10 employment taxes and fringe benefits, in all cost
11 categories, and for all means of financing except
12 federal funds; and

13 (3) The total enrollment of regular education and
14 special education students enrolled in the
15 schools established and maintained by the
16 department for that same fiscal year;

17 (b) The funds appropriated by the legislature shall be
18 allotted to the Charter School Administrative Office by the
19 director of finance unless subject to a reduction or restriction
20 by the governor or the director of finance. After retaining two
21 per cent of funds appropriated for facilities for the office
22 Charter School Administrative Office, and unless the charter



1 schools agree that their allotments should be made under section
2 302B-13 instead, the remaining portion of the funds allotted
3 shall be disbursed by the board to the charter schools as
4 follows:

5 (1) Based upon each charter school's projected
6 enrollment for the upcoming school year, one
7 hundred per cent share of the funds allotted
8 shall be disbursed to each charter school no
9 later than July 20, provided the charter school
10 submitted a projected student enrollment to the
11 office no later than May 15 of that year;

12 Any sum appropriated but not disbursed in accordance with this
13 process may be further disbursed to the charter schools on a pro
14 rata basis or any other basis the Charter School Administrative
15 Office, determines is appropriate. All sums disbursed to
16 charter schools shall be deemed expended for purposes of chapter
17 37 and this chapter.

18 (c) Appropriations may be used to pay personnel, and for
19 facilities, materials, supplies, equipment, insurance, fringe
20 benefits, and other goods and services each charter school
21 purchases directly, or to contract for services provided by
22 other state agencies or private vendors, including nonprofit and



1 for-profit providers, provided that sums appropriated for
2 specific purposes, including special education and support
3 services, employment taxes and fringe benefits, and facilities,
4 shall be expended for those specified purposes only.

5 (d) Charter schools shall have complete discretion to
6 expend any funds they generate themselves or receive from
7 sources other than appropriations by the legislature and federal
8 grants, subsidies, or other forms of federal financial
9 assistance, provided that annual fiscal reports identifying the
10 amounts generated or received, and the purposes for which they
11 were spent are provided to the director, authority, governor,
12 and legislature twenty days prior to the convening of each
13 regular legislative session.

14 (e) The Charter School Administrative Office shall satisfy
15 all of the requirements of chapter 37 that the director of
16 finance deems necessary, provided that the director of finance
17 shall accord the Charter School Administrative Office the same
18 deference accorded to the department for budget and fiscal
19 planning under that chapter.

20 (f) All funds appropriated and allotted to, or otherwise
21 received by a charter school shall be deposited in a depository



1 within the State in accounts insured by the federal deposit
2 insurance corporation.

3 (g) All appropriations for the Charter School
4 Administrative Office not expended or disbursed by the Charter
5 School Administrative Office in the fiscal year for which they
6 are made shall not lapse until June 30 of the first fiscal year
7 of the next fiscal biennium and may be disbursed or expended in
8 the same manner specified in subsection (c) for sums remaining
9 after appropriations are disbursed under that subsection. The
10 Charter School Administrative Office shall submit a report to the
11 director of finance and the legislature, ninety days after the
12 close of each fiscal year, which shall be prepared in the form
13 prescribed by the director of finance and shall identify the
14 total amount of funds that will carry over to the next fiscal
15 year."

16 SECTION 3. Section 302B-5, Hawaii Revised Statutes, is
17 amended to read as follows:

18 **"§302B-5 Start-up charter schools; establishment. (a)**
19 New start-up charter schools may be established pursuant to this
20 section.

21 (b) Any community, group of teachers, group of teachers
22 and administrators, or nonprofit organization may submit a



1 letter of intent to the office to form a charter school,
2 establish an interim local school board as its governing body,
3 and develop a detailed implementation plan pursuant to
4 subsection (d).

5 (c) The start-up charter school application process [~~and~~
6 ~~schedule shall be determined by the board, and shall provide for~~
7 ~~and] shall include the following elements:~~

8 (1) The submission of a letter of intent to operate a
9 start-up charter school to the office;

10 (2) The timely transmittal of the application form and
11 completion guidelines to the interim local school
12 board;

13 (3) The timely submission [~~to the board of a completed~~
14 ~~application]~~ of an applicaton for a charter to the
15 office;

16 (4) The timely review of the application by the panel
17 staff of the charter school review panel for
18 completeness, and notification of the interim local
19 school board if the application is complete or, if the
20 application is insufficient, a written statement of
21 the elements of the application that require
22 completion;



- 1 (5) The timely resubmission of the application;
- 2 (6) Upon receipt of a completed application, the convening
- 3 of the panel by the panel chairperson to begin review
- 4 of the application;
- 5 (7) The timely notification of the applicant of any
- 6 revisions the panel requests as necessary for a
- 7 recommendation of approval to the board;
- 8 (8) The timely transmission of the panel's recommendation
- 9 to the board for adjudication;
- 10 (9) ~~[Following the submission of an application, issuance~~
- 11 ~~of a charter or denial of the application by the board~~
- 12 ~~by majority vote, provided that if the board does not~~
- 13 ~~approve the application and issue a charter,~~
- 14 ~~provisions requiring the board to] (A) If the board~~
- 15 ~~denies an application for a charter, the board shall:~~
- 16 (i) Clearly identify in writing its reasons
- 17 for not issuing the charter, which may be
- 18 used as guidelines for an amended plan; and
- 19 (ii) Allow the local public charter school
- 20 board to revise its plan in accordance with
- 21 the board's guidelines, and resubmit an
- 22 amended plan within ten calendar days[+].



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(B) If the board issues a charter, the board shall indicate when the charter school may begin operations, provided that the date indicated shall allow for sufficient time to secure funds from the Legislature to fund the new school's operations.

(10) A provision for a final date on which a decision must be made, upon receipt of an amended plan;

(11) A provision that no start-up charter school may begin operation before obtaining board approval of its charter; and

(12) A requirement that upon approval of the start-up charter school, the office shall submit to the board a proposed budget for funding of the start-up school for submittal to the governor and legislature.

(d) An application to become a start-up charter school shall include a detailed implementation plan that meets the requirements of this subsection and section 302B-9. The plan shall include the following:



- 1 (1) A description of employee rights and management issues
2 and a framework for addressing those issues that
3 protects the rights of employees;
- 4 (2) A plan for identifying, recruiting, and retaining
5 highly-qualified instructional faculty;
- 6 (3) A plan for identifying, recruiting, and selecting
7 students that ~~[is not exclusive, elitist, or~~
8 ~~segregationist]~~ meets federal and State equal
9 opportunity requirements;
- 10 (4) The curriculum and instructional framework to be used
11 to achieve student outcomes, including an assessment
12 plan;
- 13 (5) A plan for the assessment of student, administrative
14 support, and teaching personnel performance that:
- 15 (A) Recognizes the interests of the general public;
- 16 (B) Incorporates or exceeds the educational content
17 and performance standards ~~[developed by the~~
18 ~~department for the public school system]~~ adopted
19 by the board of education for the State's school
20 system; and
- 21 (C) ~~[Includes a system of faculty and staff~~
22 ~~accountability that holds faculty and staff both~~



1 ~~individually and collectively accountable for~~
2 ~~their performance, and that is at least~~
3 ~~equivalent to the average system of~~
4 ~~accountability in public schools throughout the~~
5 ~~State; and~~

6 ~~(D)]~~ Provides for program audits and annual financial
7 audits;

8 (6) A governance structure for the charter school that
9 incorporates a conflict of interest policy and a plan
10 for periodic training to carry out the duties of local
11 school board members;

12 (7) A financial plan based on the most recent fiscal
13 year's per-pupil charter school allocation that
14 demonstrates the ability to meet the financial
15 obligations of one-time, start-up costs and ongoing
16 costs such as monthly payrolls, faculty recruitment,
17 professional development, and facilities costs; and

18 (8) A facilities plan."

19 SECTION 4. Section 302B-6, Hawaii Revised Statutes, is
20 amended to read as follows:



1 "§302B-6 Conversion charter schools; establishment. (a)

2 A conversion charter school may be established pursuant to this
3 section and any additional rules adopted by the board.

4 (b) Any department school, school community council, group
5 of teachers, group of teachers and administrators, or nonprofit
6 organization may submit a letter of intent to the office to
7 convert a department school to a charter school, establish an
8 interim local school board as its governing body, and develop a
9 detailed implementation plan pursuant to subsection (d).

10 (c) The conversion charter school application process [~~and~~
11 ~~schedule shall be determined by the board, and shall provide for~~
12 ~~and]~~ shall include the following elements:

13 (1) The submission of a letter of intent to convert to a
14 charter school to the office;

15 (2) The timely transmittal of the application form and
16 completion guidelines by the office to the interim
17 local school board;

18 (3) The timely initial submission [~~to the board of a~~
19 ~~completed application; provided that the application~~
20 ~~shall include]~~ of an application for a charter to the
21 charter school review panel, with a certification [and
22 documentation] from the interim school board that the



1 application and the proposed detailed implementation
2 plan was approved by a majority of the votes cast by
3 existing [~~administrative, support,~~] teaching
4 personnel, and parents of students at the proposed
5 conversion charter school;

6 (4) The timely review of the application by the [~~panel~~]
7 office for completeness, and notification of the
8 interim local school board if the application is
9 complete or, if the application is insufficient, a
10 written statement of the elements of the application
11 that require completion;

12 (5) The timely resubmission of the application;

13 (6) Upon receipt of a completed application, the convening
14 of the panel by the panel chairperson to begin review
15 of the application;

16 (7) The timely notification of the applicant of any
17 revisions the panel may request as necessary for a
18 recommendation of approval to the board;

19 (8) The timely transmission of the panel's recommendation
20 to the board for adjudication;

21 (9) [~~Following the submission of an application, issuance~~
22 ~~of a charter or denial of the application by the board~~



1 ~~by majority vote; provided that if the board does not~~
2 ~~approve the application and issue a charter,~~
3 ~~provisions requiring the board to] (A) If the board~~
4 ~~denies an application for a conversion charter, the~~
5 ~~board shall:~~

6 [~~(A)~~] (i) Clearly identify in writing its reasons
7 for not issuing the charter, which may be used as
8 guidelines for an amended plan; and

9 [~~(B)~~] (ii) Allow the local school board to
10 revise its plan in accordance with the board's
11 guidelines, and resubmit an amended plan within
12 ten calendar days [~~;~~ and].

13 (B) If the board issues a charter, the board shall
14 indicate when the conversion charter school may
15 begin operations, provided that the date
16 indicated shall allow for sufficient time to
17 secure funds from the Legislature to fund the new
18 school's operations.

19 (10) A provision for a final date on which a decision must
20 be made upon receipt of an amended plan;



1 (11) A provision that no conversion charter school may
2 begin operation before obtaining board approval of its
3 charter; and

4 (12) A requirement that upon approval of the conversion
5 charter school, the office shall submit to the board a
6 proposed budget for funding of the start-up school for
7 submittal to the governor and legislature.

8 (d) An application to become a conversion charter school
9 shall include a detailed implementation plan that meets the
10 requirements of this subsection and section 302B-9. The plan
11 shall include the following:

12 (1) A description of employee rights and management issues
13 and a framework for addressing those issues that
14 protects the rights of employees;

15 (2) A plan for identifying, recruiting, and retaining
16 highly-qualified instructional faculty;

17 (3) A plan for identifying, recruiting, and selecting
18 students that [~~is not exclusive, elitist, or~~
19 ~~segregationist~~] meets federal and State equal
20 opportunity requirements;



- 1 (4) The curriculum and instructional framework to be used
2 to achieve student outcomes, including an assessment
3 plan;
- 4 (5) A plan for the assessment of student, administrative
5 support, and teaching personnel performance that:
- 6 (A) Recognizes the interests of the general public;
- 7 (B) Incorporates or exceeds the educational content
8 and performance standards [~~developed by the~~
9 ~~department for the public school system~~] adopted
10 by the board of education for the State's school
11 system; and
- 12 (C) [~~Includes a system of faculty and staff~~
13 ~~accountability that holds faculty and staff both~~
14 ~~individually and collectively accountable for~~
15 ~~their performance, and that is at least~~
16 ~~equivalent to the average system of~~
17 ~~accountability in public schools throughout the~~
18 ~~State; and~~
- 19 ~~(D)]~~ Provides for program audits and annual financial
20 audits;
- 21 (6) A governance structure for the charter school that
22 incorporates a conflict of interest policy and a plan



1 for periodic training to carry out the duties of local
2 school board members;

3 (7) A financial plan based on the most recent fiscal
4 year's per-pupil charter school allocation that
5 demonstrates the ability to meet the financial
6 obligations of one-time, start-up costs and ongoing
7 costs such as monthly payrolls, faculty recruitment,
8 professional development, and facilities costs; and

9 (8) A facilities plan.

10 (e) A nonprofit organization may submit a letter of intent
11 to the office to convert a department school to a conversion
12 charter school, operate and manage the school, establish a local
13 school board as its governing body, and develop a detailed
14 implementation plan pursuant to subsection (d); provided that:

15 (1) As the governing body of the conversion charter
16 school, the local school board shall be composed of
17 the board of directors of the nonprofit organization
18 and not representatives of the participant groups
19 specified in section 302B-7. The nonprofit
20 organization may also appoint advisory groups of
21 community representatives for each school managed by
22 the nonprofit organization; provided that these groups



1 shall not have governing authority over the school and
2 shall serve only in an advisory capacity to the
3 nonprofit organization;

4 (2) The detailed implementation plan for each conversion
5 charter school to be operated by the nonprofit
6 organization shall be formulated, developed, and
7 submitted by the nonprofit organization, and shall be
8 approved by a majority of the votes cast by existing
9 administrative, support, and teaching personnel, and
10 parents of the students of the proposed conversion
11 charter school;

12 (3) The board of directors of the nonprofit organization,
13 as the governing body for the conversion charter
14 school that it operates and manages, shall have the
15 same protections that are afforded to the board in its
16 role as the conversion charter school governing body;

17 (4) Any conversion charter school that is managed and
18 operated by a nonprofit organization shall be eligible
19 for the same federal and state funding as other public
20 schools; provided that the nonprofit organization
21 makes a minimum annual contribution of \$1 per pupil
22 toward the operation of a conversion charter school



1 for every \$4 per pupil allocated by the office for the
2 operation of the conversion charter school; provided
3 that in no event shall the nonprofit organization be
4 required to contribute more than the total required
5 contribution per pupil per year. As used in this
6 section, "total required contribution" means:

7 (A) \$1,500 for school years 2006-2007 through
8 2010-2011;

9 (B) \$1,650 for school years 2011-2012 through
10 2015-2016; and

11 (C) \$1,815 for school years 2016-2017 through
12 2020-2021; and

13 (5) If, at any time, the board of directors of the
14 nonprofit organization governing the conversion
15 charter school votes to discontinue its relationship
16 with the charter school, the charter school may submit
17 an application with a revised detailed implementation
18 plan to the panel to continue as a conversion school
19 without the participation of the nonprofit
20 organization.



1 (f) Any nonprofit organization that seeks to manage or
2 operate a conversion charter school as provided in subsection
3 (e) shall comply with the following at the time of application:

4 (1) Have bylaws or policies that describe the manner in
5 which business is conducted and policies that relate
6 to the management of potential conflict of interest
7 situations;

8 (2) Have experience in the management and operation of
9 public or private schools or, to the extent necessary,
10 agree to obtain appropriate services from another
11 entity or entities possessing such experience;

12 (3) Comply with all applicable federal, state, and county
13 laws, including licensure or accreditation, as
14 applicable; and

15 (4) Comply with any other requirements prescribed by the
16 department to ensure adherence with applicable
17 federal, state, and county laws, and the purposes of
18 this chapter.

19 (g) Any public school or schools, programs, or sections of
20 existing public school populations that are part of a separate
21 Hawaiian language immersion program using existing public school



1 facilities may submit a letter of intent to the office to form a
2 conversion charter school pursuant to this section.

3 (h) In the event of a conflict between the provisions in
4 this section and other provisions in this chapter, this section
5 shall control."

6 SECTION 5. Section 302B-8, Hawaii Revised Statutes, is
7 amended to read as follows:

8 "§302B-8 Charter school administrative office. (a) There
9 is established a charter school administrative office, which
10 shall be attached to the department for administrative purposes
11 only. The office shall be administered by an executive
12 director, who shall be appointed without regard to chapters 76
13 and 89 by the ~~[board]~~ charter school review panel based upon the
14 recommendations of an organization of charter schools operating
15 within the State or from a list of nominees submitted by a
16 majority of the charter schools in operation three years or
17 longer. The ~~[board]~~ panel may hire the executive director on a
18 multi-year contract. The executive director may hire necessary
19 staff without regard to chapters 76 and 89 to assist in the
20 administration of the office.

21 (b) The executive director, under the direction of the
22 ~~[board]~~ panel and in consultation with the charter schools,



1 shall be responsible for the internal organization, operation,
2 and management of the charter school system, including:

3 (1) Preparing and executing the budget for the charter
4 schools, including submission of the budget request to
5 the board, the governor, and the legislature;

6 (2) [~~Allocating annual~~] Disbursing appropriations to the
7 charter schools and [~~distribution of~~] distributing
8 federal funds to charter schools;

9 (3) [~~Complying with applicable state laws related to the~~
10 ~~administration of the charter schools;~~

11 ~~(4)]~~ Preparing contracts between the charter schools and
12 the department for centralized services to be provided
13 by the department;

14 [~~(5)]~~ (4) Preparing contracts between the charter schools
15 and other state agencies for financial or personnel
16 services to be provided by the agencies to the charter
17 schools;

18 [~~(6)]~~ (5) Providing independent analysis and
19 recommendations on charter school issues;

20 [~~(7)]~~ (6) Representing charter schools and the charter
21 school system in communications with the panel, board,
22 the governor, and the legislature;



1 ~~[-(8)-]~~ (7) Providing advocacy, assistance, and support for
2 the development, growth, progress, and success of
3 charter schools and the charter school system;

4 ~~[-(9)-]~~ (8) Providing guidance and assistance to charter
5 applicants and charter schools to enhance the
6 completeness and accuracy of information for ~~[board]~~
7 panel review;

8 [~~-(10)-~~ ~~Assisting charter applicants and charter schools in~~
9 ~~coordinating their interactions with the board as~~
10 ~~needed;~~]

11 ~~[-(11)-]~~ (9) Assisting the board to coordinate with charter
12 schools in board investigations and evaluations of
13 charter schools;

14 ~~[-(12)-]~~ (10) Serving as the conduit to disseminate
15 communications from the board and department to all
16 charter schools;

17 ~~[-(13)-]~~ (11) Determining charter school system needs and
18 communicating such needs with the panel, board and
19 department; and

20 ~~[-(14)-~~ Establishing a dispute resolution and mediation panel;
21 and



1 ~~(15)]~~ (12) Upon request by one or more charter schools,
2 assisting in the negotiation of a collective
3 bargaining agreement with the exclusive representative
4 of its employees.

5 (c) The executive director shall be evaluated annually by
6 the board.

7 (d) The salary of the executive director and staff shall
8 be set by the board based upon the recommendations of charter
9 schools within the State; provided that the salaries and
10 operational expenses of the office shall be paid from the annual
11 charter school appropriation and shall not exceed two per cent
12 of the total allocation in any fiscal year.

13 (e) The office shall include in its annual budget request
14 additional funds to cover the estimated costs of:

15 (1) Vacation and sick leave accrued by employees
16 transferring to a charter school from another state
17 agency or department;

18 (2) Substitute teachers needed when a teacher is out on
19 vacation or sick leave;

20 (3) Adjustments to enrollments; and

21 (4) Arbitration in the grievance process.



1 (f) The office shall withhold funds for charter school
2 enrollments that are inconsistent with approved detailed
3 implementation plans.

4 (g) The office shall withhold funds to repay overpayments
5 or over-allocations received by charter schools when not repaid
6 in a timely manner in accordance with rules adopted by the
7 board.

8 (h) The office may carry over funds from previous year
9 allocations as permitted under section 302B- (j). Funds
10 distributed to charter schools shall be considered expended."

11 SECTION 6. Section 302B-9, Hawaii Revised Statutes, is
12 amended by amending subsection (a) to read as follows:

13 "**§302B-9 Exemptions from state laws.** (a) Charter schools
14 shall be exempt from chapters 91 and 92 and all other state laws
15 in conflict with this chapter, except those regarding:

16 (1) [~~Collective bargaining under chapter 89; provided~~
17 ~~that:~~

18 ~~(A) The exclusive representatives as defined in~~
19 ~~chapter 89 and the local school board of the~~
20 ~~charter school may enter into supplemental~~
21 ~~agreements that contain cost and noncost items to~~
22 ~~facilitate decentralized decision making;~~



1 ~~(B) The agreements shall be funded from the current~~
2 ~~allocation or other sources of revenue received~~
3 ~~by the charter school; provided that collective~~
4 ~~bargaining increases for employees shall be~~
5 ~~allocated by the department of budget and finance~~
6 ~~to the charter school administrative office for~~
7 ~~distribution to charter schools; and~~

8 ~~(C) These supplemental agreements may differ from the~~
9 ~~master contracts negotiated with the department;~~

10 ~~(2)] Discriminatory practices under section 378-2; and~~

11 ~~[(3)]~~ (2) Health and safety requirements."

12 SECTION 7. Section 302B-13, Hawaii Revised Statutes, is
13 repealed.

14 ~~["§302B-13 Weighted student formula. (a) Notwithstanding~~
15 ~~section [302B-12] and beginning September 1, 2006, charter~~
16 ~~schools shall elect whether to receive allocations according to~~
17 ~~the department's weighted student formula adopted pursuant to~~
18 ~~section 302A-1303.6; provided that:~~

19 ~~(1) All charter schools, as a group, with each local~~
20 ~~school board being accorded one vote, shall elect, by~~
21 ~~greater than two thirds agreement among the local~~
22 ~~school boards, whether to receive allocations through~~



1 ~~the department's weighted student formula, provided~~
2 ~~that the nonprofit that governs more than one~~
3 ~~conversion charter school may cast one vote~~
4 ~~representing each school it governs;~~

5 ~~(2) Any election by charter schools to receive department~~
6 ~~allocations, or not to receive allocations, through~~
7 ~~the department's weighted student formula shall be~~
8 ~~made by September 1 of each even numbered year, and~~
9 ~~the election shall apply to the fiscal biennium~~
10 ~~beginning July 1 of the following year; provided that~~
11 ~~the appropriate funds shall be transferred by the~~
12 ~~department to the charter school administrative office~~
13 ~~for distribution to the charter schools; and~~
14 ~~(3) The election to receive allocations, or not to receive~~
15 ~~allocations, through the department's weighted student~~
16 ~~formula shall be communicated to the department~~
17 ~~through the office.~~

18 ~~(b) The charter schools, through the office, may propose~~
19 ~~to the board an alternative weighted student formula, approved~~
20 ~~of by more than two thirds of the local school boards, with each~~
21 ~~local school board being accorded one vote, to be administered~~



1 ~~by the office and to apply to the per pupil allocation for~~
2 ~~charter schools."]~~

3 SECTION 8. Section 302B-14, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "**§302B-14 Accountability; probationary status; revocation**
6 **of charter.** (a) Every charter school shall conduct annual
7 self-evaluations that shall be submitted to the board within
8 sixty working days after the completion of the school year. The
9 self-evaluation process shall include but not be limited to:

- 10 (1) The identification and adoption of benchmarks to
11 measure and evaluate administrative and instructional
12 programs;
- 13 (2) The identification of any innovations or research that
14 may assist other public schools;
- 15 (3) The identification of any administrative and legal
16 barriers to meeting the adopted benchmarks, and
17 recommendations for improvements and modifications to
18 address the barriers;
- 19 (4) An evaluation of student achievement within the
20 charter school;



1 (5) A profile of the charter school's enrollment and the
2 community it serves, including a breakdown of regular
3 education and special education students; and

4 (6) An evaluation of the school's organizational
5 viability.

6 (b) The board shall conduct multi-year evaluations of
7 charter schools that have been chartered for four or more years.
8 The board shall adopt rules pursuant to chapter 91 for its
9 evaluations.

10 (c) The board may conduct special evaluations of charter
11 schools at any time.

12 (d) The [~~board~~] charter school review panel may place a
13 charter school on probationary status; provided that:

14 (1) The [~~panel~~] executive director evaluates the
15 charter school or reviews an evaluation of the charter
16 school and [~~makes recommendations to the board~~]
17 recommends probation to the panel;

18 (2) The [~~board~~] charter school review panel and the office
19 are involved in substantive discussions with the
20 charter school regarding the areas of deficiencies; and

21 (3) The notice of probation is delivered to the charter
22 school and specifies the deficiencies requiring



1 correction, the probation period, and monitoring and
2 reporting requirements[+]

3 ~~(4) For deficiencies related to student performance, a~~
4 ~~charter school shall be allowed two years to improve~~
5 ~~student performance, and~~

6 ~~(5) For deficiencies related to financial plans, a charter~~
7 ~~school shall be allowed one year to develop a sound~~
8 ~~financial plan].~~

9 For deficiencies related to student performance, a charter
10 school shall be allowed two years to improve student
11 performance. For deficiencies related to financial plans, a
12 charter school shall be allowed one year to develop a sound
13 financial plan. The charter school shall remain on probationary
14 status until the [board] panel votes to either remove the
15 charter school from probationary status or revoke its charter.

16 (e) If a charter school fails to resolve deficiencies by
17 the end of the probation period, the [board] panel may revoke
18 the charter; provided that the vote of two-thirds of all the
19 members to which the [board] panel is entitled shall be required
20 to revoke the charter.

21 (f) [The board] Notwithstanding the provisions of
22 subsection (d), the panel may place a charter school on



1 probationary status or revoke the charter for serious student or
2 employee health or safety deficiencies; provided that:

3 (1) The charter school is given notice of specific health
4 or safety deficiencies and is afforded an opportunity
5 to present its case to the [~~board~~] panel;

6 (2) The [~~board~~] panel chair appoints a task group, which
7 may be an investigative task group, the panel, or the
8 office, to visit the charter school and conduct
9 meetings with its local school board and its school
10 community to gather input;

11 (3) Based on its findings, the task group shall recommend
12 to the [~~board~~] panel to revoke the charter, place the
13 charter school on probation, or continue the charter;

14 (4) The vote of two-thirds of all the members to which the
15 [~~board~~] panel is entitled shall be required to revoke
16 the charter;

17 (5) The best interest of the school's students guide all
18 decisions; and

19 (6) After a decision to revoke a charter, the charter
20 school shall be allowed to remain open until a plan
21 for an orderly shutdown or transfer of students and



1 assets is developed and executed, or until the school
2 year ends, whichever comes first.

3 (g) ~~[(f)]~~ Notwithstanding the provisions of subsections (d)
4 and (f), if there is an immediate concern for student or
5 employee health or safety at a charter school, the ~~[board]~~
6 panel, in consultation with the office, may adopt an interim
7 restructuring plan that may include the appointment of an
8 interim local school board, an interim local school board
9 chairperson, or a principal to temporarily assume operations of
10 the school; provided that if possible without further
11 jeopardizing the health or safety of students and employees, the
12 charter school's stakeholders and community are first given the
13 opportunity to elect a new local school board which shall
14 appoint a new interim principal.

15 (h) The board shall adopt rules pursuant to chapter 91 for
16 placing charter schools on probation and for revoking a charter.

17 (i) If, at any time, a charter school dissolves or the
18 charter is revoked, the State shall have first right, at no cost
19 to the State, to all the assets and facilities of the charter
20 school [~~except as otherwise provided by law~~] ~~purchased with~~
21 ~~state appropriations or provided by the department or another~~
22 ~~state agency."~~



1 SECTION 9. Section 302B-15, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "§302B-15 Responsibilities of department of education;
4 special education services. (a) The department shall
5 collaborate with the [office] charter school review panel to
6 develop a system of technical assistance related to compliance
7 with federal and state laws and access to federal and state
8 funds. The department and the [office] panel shall collaborate
9 to develop a list of central services that the department may
10 offer for purchase by [~~a charter school at an annual cost to be~~
11 ~~negotiated between an individual charter school~~] the executive
12 director and the department. The department shall enter into a
13 contract [~~with a charter school~~] annually to provide these
14 services, [which shall be re-negotiated on an annual basis] with
15 the executive director acting on behalf of one of more charter
16 schools. The contract may be renegotiated on an annual basis."

17 SECTION 10. Section 89-10.55, Hawaii Revised Statutes, is
18 repealed.

19 SECTION 11. Section 302B-12, Hawaii Revised Statutes, is
20 repealed.

21 SECTION 12. There is appropriated out of the general
22 revenues of the State of Hawaii the sum of \$2,000,000, or so

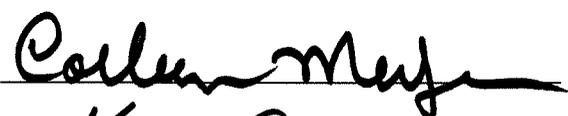
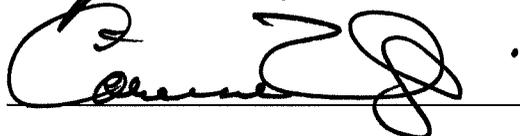
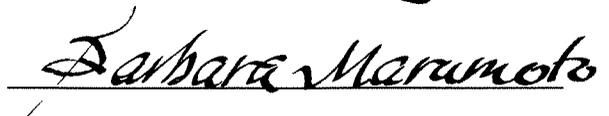


1 much thereof as may be necessary for fiscal year 2007-2008, and
 2 the same sum, or so much thereof as may be necessary for fiscal
 3 year 2008-2009, for the purposes of carrying out this Act,
 4 including the hiring of staff.

5 The sums appropriated shall be expended by the public
 6 charter school authority for the purposes of this Act.

7 SECTION 13. This Act shall take effect on July 1, 2007.
 8
 9

INTRODUCED BY:

JAN 19 2007



Report Title:

Charter schools

Description:

Increases the number of new public charter schools, establishes permanent facilities funding for public charter schools and transfers authority of the Charter School Administrative Office to the Charter School Review Panel.

