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SECTION 1. Senate Bill 2589, Senate Draft 2, House Draft 1, is amended by amending Section 1 to read as follows:

"SECTION 1. The legislature finds that some public charter schools face daunting obstacles, including the high cost of rent and less-than-desirable locations for their facilities, while the department of education is considering the closure of certain school that are not charter schools due to financial constraints.

The legislature further finds that education is of the utmost importance to the future of Hawai`i. As Hawai`i continues to strive for innovative ways to improve the education and opportunities for our children, the federal government has stressed, both publicly and in its policy and funding choices,

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the importance of successful innovations, especially encouraging states to nurture charter schools. Recently, the Obama Administration set aside several billion dollars in competitive grants called "Race to the Top" funds for the very purpose of education reform and improvements, and blatantly states that part of the criteria for qualifying for the funds hinges on states' decision to nurture charter schools.

The purpose of this Act is to require the department of education to consider making available vacant school facilities or portions of those facilities for use by charter schools, and to create statutory changes to enable Hawai'i to further improve public charter schools as a means of innovative public education and to better situate Hawai'i to qualify for "Race to the Top" funds and other federal grants."

SECTION 2: Senate Bill 2589, Senate Draft 2, House Draft 1, is further amending by adding a new section 6, to read as follows:

"SECTION 6. Section 302B-4, Hawaii Revised Statutes, is repealed.

["\$302B-4 Limits on charter schools. The panel may authorize one new start-up charter school for each existing start-up charter school that has received a three-year or longer accreditation from the Western Association of Schools and Colleges or a comparable accreditation authority as determined

by the panel, or for each start-up charter school whose charter is revoked. The total number of conversion charter schools authorized by the panel shall not exceed twenty-five."]"

SECTION 3: Senate Bill 2589, Senate Draft 2, House Draft 1, is further amending by adding a new section 7 and 8, to read as follows:

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

"§302B-5 Start-up charter schools; establishment. (a)

New start-up charter schools may be established pursuant to this section.

- (b) Any community, group of teachers, group of teachers and administrators, or nonprofit organization may submit a letter of intent to the office to form a charter school, establish an interim local school board as its governing body, and develop a detailed implementation plan pursuant to subsection (d).
- (c) The start-up charter school application process and schedule shall be determined by the panel or university, as applicable, and shall provide for and include the following elements:
 - (1) The submission of a letter of intent to operate a start-up charter school;

- (2) The timely transmittal of the application form and completion guidelines to the interim local school board;
- (3) The timely submission to the panel <u>or university</u>, as applicable, of a completed application;
- (4) The timely review of the application by the panel or university, as applicable, for completeness, and notification of the interim local school board if the application is complete or, if the application is insufficient, a written statement of the elements of the application that require completion;
- (5) The timely resubmission of the application;
- (6) Upon receipt of a completed application, the convening of the panel by the panel chairperson to begin review of the application or the convening of the university entity to begin review of the application, as applicable;
- (7) The timely notification of the applicant of any revisions the panel <u>or university</u>, as applicable, requests as necessary for a recommendation of approval;
- (8) Following the submission of an application, issuance of a charter or denial of the application by the panel or university, as applicable, by majority vote;

provided that if the panel <u>or university</u> does not approve the application and issue a charter, provisions requiring the panel <u>or university</u>, as applicable, to:

- (A) Clearly identify in writing its reasons for not issuing the charter, which may be used as guidelines for an amended plan; and
- (B) Allow the interim local school board to revise its plan in accordance with the panel's guidelines, and resubmit an amended plan within ten calendar days;
- (9) A provision for a final date on which a decision must be made, upon receipt of an amended plan; and
- (10) A provision that no start-up charter school may begin operation before obtaining panel or university, as applicable, approval of its charter.
- (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) A description of employee rights and management issues and a framework for addressing those issues that protects the rights of employees;

- (2) A plan for identifying, recruiting, and retaining highly-qualified instructional faculty;
- (3) A plan for identifying, recruiting, and selecting students that is not exclusive, elitist, or segregationist;
- (4) The curriculum and instructional framework to be used to achieve student outcomes, including an assessment plan;
- (5) A plan for the assessment of student, administrative support, and teaching personnel performance that:
 - (A) Recognizes the interests of the general public;
 - (B) Incorporates or exceeds the educational content and performance standards developed by the department for the public school system;
 - (C) Includes a system of faculty and staff
 accountability that holds faculty and staff both
 individually and collectively accountable for
 their performance, and that is at least
 equivalent to the average system of
 accountability in public schools throughout the
 State; and
 - (D) Provides for program audits and annual financial audits;

- (6) A governance structure for the charter school that incorporates a conflict of interest policy and a plan for periodic training to carry out the duties of local school board members;
- (7) A financial plan based on the most recent fiscal year's per-pupil charter school allocation that demonstrates the ability to meet the financial obligations of one-time, start-up costs and ongoing costs such as monthly payrolls, faculty recruitment, professional development, and facilities costs; and
- (8) A facilities plan."

SECTION 8. Chapter 302B, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

Hawai`i. (a) The board of regents of the University of Hawaii shall have the authority to designate itself or another entity within the University of Hawaii to be an alternative chartering authority to the charter school review panel. The alternative chartering authority authorized by the board of regents under this section shall have the power and authority to:

(1) Review, approve, or deny charter applications for new charter schools in accordance with section 302B-5 for the issuance of new charters; provided that applicants

- that are denied a charter may appeal to the
 superintendent for a final decision pursuant to
 section 302B-5;
- Review, approve, or deny significant amendments to

 detailed implementation plans to maximize the school's

 financial and academic success, long-term

 organizational viability, and accountability; provided

 that a denial of a significant amendment to a detailed

 implementation plan may be appealed to the

 superintendent for a final decision pursuant to

 section 302B-5;
- (3) Adopt reporting requirements for charter schools;
- (4) Review annual self-evaluation reports from charter schools and take appropriate action; and
- (5) Evaluate any aspect of a charter school that the
 entity may have concerns with and take appropriate
 action, which may include probation or revocation."

SECTION 4: Senate Bill 2589, Senate Draft 2, House Draft 1, is further amending by renumbering the subsequent sections accordingly.

SECTION 9. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 10. This Act shall take effect on July 1, 2050.