

# HB831 HD2

**Measure Title:** RELATING TO PUBLIC CHARTER SCHOOLS.

**Report Title:** Public Charter Schools; Financial Insolvency; Health and Safety; Closure

**Description:** Authorizes charter school closure, if determined necessary by the authorizer, in the event of financial insolvency or due to health and safety issues. Requires the authorizer to establish protocols for closure. (HB831 HD2)

**Companion:** [SB833](#)

**Package:** None

**Current Referral:** EDU, WAM

**Introducer(s):** TAKUMI, OHNO

<u>Sort by Date</u>		<b>Status Text</b>
1/26/2015	H	Pending introduction.
1/28/2015	H	Introduced and Passed First Reading
1/28/2015	H	Referred to EDN, FIN, referral sheet 3
2/4/2015	H	Bill scheduled to be heard by EDN on Monday, 02-09-15 2:00PM in House conference room 309.
2/9/2015	H	The committees on EDN recommend that the measure be PASSED, WITH AMENDMENTS. The votes were as follows: 9 Ayes: Representative(s) Takumi, Ohno, Choy, Ichiyama, Kong, LoPresti, Say, Tsuji, Tupola; Ayes with reservations: none; Noes: none; and 4 Excused: Representative(s) Aquino, Ing, Ito, Matsumoto.
2/18/2015	H	Reported from EDN (Stand. Com. Rep. No. 324) as amended in HD 1, recommending passage on Second Reading and referral to FIN.
2/18/2015	H	Passed Second Reading as amended in HD 1 and referred to the committee(s) on FIN with none voting aye with reservations; none voting no (0) and Pouha excused (1).
2/23/2015	H	Bill scheduled to be heard by FIN on Thursday, 02-26-15 11:00AM in House conference room 308.
2/26/2015	H	The committees on FIN recommend that the measure be PASSED, WITH AMENDMENTS. The votes were as follows: 14 Ayes: Representative(s) Luke, Nishimoto, Cullen, DeCoite, Johanson, Jordan, Keohokalole, Kobayashi, Lowen, Onishi, Tokioka, Yamashita, Pouha, Ward; Ayes with reservations: none; Noes: none; and 1 Excused: Representative(s) Cachola.
3/6/2015	H	Reported from FIN (Stand. Com. Rep. No. 800) as amended in HD 2, recommending passage on Third Reading.

3/6/2015	H	Forty-eight (48) hours notice Tuesday, 03-10-15.
3/10/2015	H	Passed Third Reading as amended in HD 2 with none voting aye with reservations; none voting no (0) and Representative(s) Creagan excused (1). Transmitted to Senate.
3/12/2015	S	Received from House (Hse. Com. No. 240).
3/12/2015	S	Passed First Reading.
3/12/2015	S	Referred to EDU, WAM.
3/12/2015	S	The committee(s) on EDU has scheduled a public hearing on 03-16-15 1:15PM in conference room 229.

DAVID IGE  
GOVERNOR



CATHERINE PAYNE  
CHAIRPERSON

STATE OF HAWAII  
**STATE PUBLIC CHARTER SCHOOL COMMISSION**  
**(‘AHA KULA HO‘ĀMANA)**

<http://CharterCommission.Hawaii.Gov>  
1111 Bishop Street, Suite 516, Honolulu, Hawaii 96813  
Tel: 808-586-3775 Fax: 808-586-3776

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FOR: HB831 HD2 Relating to Public Charter Schools  
DATE: Monday, March 16, 2015  
TIME: 1:15 p.m.  
COMMITTEE(S): Senate Committee on Education  
ROOM: Conference Room 229  
FROM: Tom Hutton, Executive Director  
State Public Charter School Commission

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Chair Kidani, Vice Chair Harimoto, and members of the Committee:

The State Public Charter School Commission (“Commission”) appreciates the opportunity to submit this testimony in support of House Bill 831 HD2, “Relating to Public Charter Schools.” The measure, which was developed by the Commission, would:

1. Provide that a public charter school that becomes financially insolvent shall be deemed to have surrendered its charter contract;
2. In the event of serious health and safety concerns at a charter school, require the school’s authorizer to determine whether the concerns require school closure;
3. Under both of these closure scenarios, require the authorizer to adopt a closure protocol; and
4. Under both of these scenarios, require the authorizer to determine whether a transition period for the school’s students and staff is necessary before closure.

The need for this revision to Hawaii’s charter school statute has been revealed by the current situation with the pending revocation of Hālau Lōkahi Charter School. The lengthy revocation process established under Chapter 302D never contemplated a scenario in which the school already is insolvent and/or in which the school insists on continuing operations despite its insolvency.

In response to concerns that some in the charter school community have expressed about the potential reach of the provision in the bill related to insolvency, the Commission respectfully

recommends that proposed subsection 302D-\_\_\_ (a) be amended by adding the following clarifying language:

For the purposes of this section, a school shall be determined to be financially insolvent if it is unable to pay its staff when payroll is due.

This language, we believe, makes clear that the new protection this provision would afford the public shall be narrowly construed to address only the extreme financial failure of a school.

Upon further consideration, we also believe that Section 2 of the bill, which addresses a health or safety emergency at a school, is unnecessary to protect children and the public. Under current law, the Commission already has clear statutory authority to order a school to suspend operations for health or safety considerations, so that if for some reason contract revocation and closure also were warranted, the normal revocation process could be followed. We respectfully request that this section be deleted from the bill.

Thank you for the opportunity to provide this testimony.



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TESTIMONY BEFORE THE SENATE  
COMMITTEE ON EDUCATION

Wil Okabe  
President  
Joan Kamila Lewis  
Vice President  
Colleen Pasco  
Secretary-Treasurer  
Wilbert Holck  
Executive Director

DATE: MONDAY, MARCH 16, 2015

RE: H.B. 831, H.D. 2 - RELATING TO PUBLIC CHARTER SCHOOLS

PERSON TESTIFYING: JOAN LEWIS, VICE-PRESIDENT  
HAWAII STATE TEACHERS ASSOCIATION

The Honorable Chair Michelle Kidani, Honorable Vice Chair Breene Harimoto and Members of the Committee:

The Hawaii State Teachers Association (HSTA) **supports H.B. 831, H.D. 2**, relating to Public Charter Schools.

HSTA believes that the laws and policies of Hawai'i should adequately reflect the current needs of today's educational system. We also believe we have a responsibility to address issues that impact teaching and learning when it directly hampers our teacher's ability to adequately provide for their students.

H.B. 831, H.D. 2 addresses current educational needs by ensuring students and teachers the best learning environment; free from the stress of financial matters. This bill requires protocols to be put in place for insolvency measures. It provides direction for a Charter School when problems arise and yet it does NOT determine the detailed specifics within the protocol. This provides reasonable flexibility.

On behalf of their 13,500 public and public charter school teachers, HSTA **supports H.B. 831, H.D. 2**.

**From:**  
**To:** Submitted testimony for HB831 on Mar 16, 2015 13:15PM  
**Cc:** Sunday, March 15, 2015 8:42:12 AM  
**Subject:**  
**Date:**

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**HB831**

Submitted on: 3/15/2015

Testimony for EDU on Mar 16, 2015 13:15PM in Conference Room 229

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
James Gauer	Individual	Support	No

Comments: This bill goes together with HB832 and keeps public charter schools accountable and connected to government.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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