#### A BILL FOR AN ACT

RELATING TO EDUCATION.

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

- 1 SECTION 1. Section 302D-1, Hawaii Revised Statutes, is 2 amended as follows: 3 1. By adding a new definition to be appropriately inserted 4 and to read: 5 ""Applicant governing board" means the initial governing board established by an eligible group or entity to submit a 6 7 charter application pursuant to section 302D-13, which shall not 8 be subject to section 302D-12." 9 By amending the definition of "conversion charter 10 school" to read: ""Conversion charter school" means: 11 12 Any existing department school that converts to a (1) 13 charter school and is managed and operated in 14 accordance with section [302D-14;] 302D-13; or
- 15 (2) Any existing department school that converts to a charter school and is managed and operated by a

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              nonprofit organization in accordance with section
              [<del>302D 14.</del>] 302D-13."
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 3
         3. By amending the definition of "start-up charter school"
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    to read:
 5
         ""Start-up charter school" means a new charter school
 6
    established under section 302D-13[+] that is not a conversion
7
    charter school."
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         SECTION 2. Section 302D-3, Hawaii Revised Statutes, is
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    amended by amending subsection (f) to read as follows:
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         "(f) Five members of the commission shall constitute a
11
    quorum to conduct business [and]. Any action taken by the
12
    commission shall be by a simple majority of the members of the
13
    commission who are present; provided that any action of the
14
    commission that may be appealed pursuant to section 302D-15
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    shall require a concurrence of at least five members [shall be
16
    necessary to make any action of the commission] to be valid."
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         SECTION 3. Section 302D-5, Hawaii Revised Statutes, is
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    amended by amending subsection (b) to read as follows:
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         "(b) An authorizer shall:
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              Act as [the] a point of contact between the department
         (1)
21
              and a public charter school it authorizes;
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1	(2)	Be responsible for and ensure the compliance of a
2		public charter school it authorizes with all
3		applicable state and federal laws, including reporting
4		requirements;
5	(3)	Be responsible for the receipt of applicable federal
6		funds from the department and the distribution of
7		funds to the public charter school it authorizes; and
8	(4)	Be responsible for the receipt of per-pupil funding
9		from the department of budget and finance and
10		distribution of the funding to the public charter
11		school it authorizes."
12	SECT	ION 4. Section 302D-12, Hawaii Revised Statutes, is
13	amended to	o read as follows:
14	"§30	2D-12 Charter school governing boards; powers and
15	duties.	(a) No person may serve on the governing board of a
16	charter s	chool if the person is an employee or former employee
17	of any cha	arter school under the jurisdiction of that governing
18	board, a	relative of an employee or former employee of any
19	charter s	chool under the jurisdiction of that governing board,
20	or any ver	ndor or contractor providing goods or services to any

1	Charter s	choor under the jurisdiction of that governing board,				
2	unless:					
3	(1)	The person is a former employee of a charter school				
4		under the jurisdiction of that governing board and at				
<b>_5</b>		least one year has passed since the conclusion of the				
6		former employee's employment with that charter school;				
7	(2)	The person is a relative of a former employee of a				
8		charter school under the jurisdiction of that				
9		governing board and at least one year has passed since				
10		the conclusion of the former employee's employment				
11		with that charter school;				
12	(3)	The person is a vendor or contractor and at least one				
13		year has passed since the conclusion of the vendor or				
14		contractor's service to a charter school under the				
15		jurisdiction of that governing board; or				
16	(4)	The person's serving on the governing board shall not				
17		cause more than one-third of the voting members of the				
18		governing board to be made up of:				
19		(A) Employees or former employees of any charter				
20		school that is under the jurisdiction of that				
21		governing board; provided that this subparagraph				

1		shall not include persons who are covered under
2		paragraph (1);
3	(B)	Relatives of employees or of former employees of
4		any charter school that is under the jurisdiction
5		of that governing board; provided that this
6		subparagraph shall not include persons who are
7		covered under paragraph (2); and
8	(C)	Vendors or contractors who are providing goods or
9		services to any charter school that is under the
10		jurisdiction of that governing board; provided
11		that this subparagraph shall not include persons
12		who are covered under paragraph (3).
13	(b) In s	electing governing board members, consideration
<b>L4</b>	shall be given	to persons who:
15	(1) Prov	ide the governing board with a diversity of
l <b>6</b>	pers	pective and a level of objectivity that accurately
l <b>7</b>	repr	esent the interests of the charter school students
<b>8</b>	and	the surrounding community;
19	(2) Demo	nstrate an understanding of best practices of
20	nonp	rofit governance; and

14

charter school.

1	(3) E	Possess strong financial and academic management and
2	c	versight abilities, as well as human resource and
3	f	undraising experience.
4	(c) N	To employee or former employee of a charter school,
5	relative of	an employee or former employee of a charter school,
6	or any vend	lor or contractor providing goods or services to a
7	charter sch	ool may serve as the chair of the governing board of
8	that charte	er school unless at least one year has elapsed since
9	the conclus	ion of the employee's employment with the school or
10	the conclus	ion of a vendor's or contractor's service to the
l1	school; pro	vided that an authorizer may grant an exemption from
12	the provisi	ons of this subsection based upon a determination by
13	the authori	zer that an exemption is in the best interest of the

- (d) A nonprofit organization that has been approved by an authorizer to operate and manage a conversion charter school and establish the conversion charter school's governing board shall establish the nonprofit organization's board of directors as the governing board notwithstanding subsections 302D-12(a), 302D-
- 20 12(b), and 302D-12(c); provided that:

ī	<u>(1)</u>	The nonprofit organization may also appoint advisory
2		groups of community representatives for each
3		conversion charter school managed by the nonprofit
4		organization; provided that these groups shall not
5		have governing authority over the conversion charter
6		school and shall serve only in an advisory capacity to
7		the nonprofit organization;
8	(2)	The board of directors of the nonprofit organization,
9		as the governing board of the conversion charter
10		school that it operates and manages, shall have the
11		same protections that are afforded to all other
12		governing boards in its role as the conversion charter
13		school governing body;
14	<u>(3)</u>	Any conversion charter school that is managed and
15		operated by a nonprofit organization shall be eligible
16		for the same federal and state funding as other public
17		schools; provided that nothing in this section shall
18		prohibit a nonprofit organization from making a
19		contribution toward the operation of a conversion
20		charter school; and

1	(4)	If, at any time, the board of directors of the
2		nonprofit organization governing the conversion
3		charter school votes to discontinue its relationship
4		with the charter school as the charter contract
5		holder, the conversion charter school's
6		administrators, teachers, or community may submit a
7		charter application to the authorizer, in accordance
8		with section 302D-13 to continue as a conversion
9		charter school without the participation of the
10		nonprofit organization.
11	[ <del>(d)</del> ]	(e) Section 78-4 shall not apply to members of
12	governing	boards; provided that no governing board member shall
13	be allowed	d to serve on more than two governing boards
14	simultane	ously. For purposes of this subsection, a governing
15	board tha	t governs more than one charter school shall be
16	considere	d one board.
17	[ <del>(e)</del> ]	(f) The governing board shall be the independent
18	governing	body of its charter school and shall have oversight
19	over and l	be responsible for the financial, organizational, and
20	academic	viability of the charter school, implementation of the
21	charter, a	and the independent authority to determine the

- 1 organization and management of the school, the curriculum,
- 2 virtual education, and compliance with applicable federal and
- 3 state laws. The governing board shall ensure its school
- 4 complies with the terms of the charter contract between the
- 5 authorizer and the school. The governing board shall have the
- 6 power to negotiate supplemental collective bargaining agreements
- 7 with the exclusive representatives of their employees.
- **8** [<del>(f)</del>] (g) Governing boards and charter schools shall be
- 9 exempt from chapter 103D, but shall develop internal policies
- 10 and procedures for the procurement of goods, services, and
- 11 construction, consistent with the goals of public accountability
- 12 and public procurement practices. Governing boards and charter
- 13 schools are encouraged to use the provisions of chapter 103D
- 14 wherever possible; provided that the use of one or more
- 15 provisions of chapter 103D shall not constitute a waiver of the
- 16 exemption from chapter 103D and shall not subject the charter
- 17 school to any other provision of chapter 103D.
- 18 [<del>(g)</del>] (h) Charter schools and their governing boards shall
- 19 be exempt from the requirements of chapters 91 and 92. The
- 20 governing boards shall:
- 21 (1) Hold meetings open to the public;

1	(2)	Make	available the notices and agendas of public
2		meet	ings:
3		(A)	At a publicly accessible area in the charter
4			school's office so as to be available for review
5			during regular business hours; and
6		(B)	On the charter school's internet website not less
7			than six calendar days prior to the public
8			meeting, unless a waiver is granted by the
9			authorizer or authorizer's designee in the case
10			of an emergency; and
<b>l</b> 1	(3)	Make	available the minutes from public meetings within
12		thirt	cy days and maintain a list of the current names
13		and o	contact information of the governing board's
<b>L4</b>		membe	ers and officers:
15		(A)	In the charter school's office so as to be
16			available for review during regular business
۱7			hours; and
18		(B)	On the charter school's internet website.
19	[ <del>(h)</del> ]	<u>(i)</u>	All charter school employees and members of
20	governing	board	Is shall be subject to chapter 84.

- 1 [(i)] (j) Governing boards shall be exempt from sections 26-
- 2 34 and 26-36. The State shall afford the governing board of any
- 3 charter school the same protections as the State affords the
- 4 board in accordance with section 26-35.5.
- 5  $\left[\frac{(j)}{(k)}\right]$  (k) For purposes of this section:
- 6 "Employees" shall include but not be limited to:
- 7 (1) The chief executive officer, chief administrative 8 officer, executive director, or otherwise designated
- 9 head of a charter school; and
- 10 (2) Any person under an employment contract to serve as
  11 the chief executive officer, chief administrative
  12 officer, executive director, or designated head of a
- charter school.
- 14 "Relative" means a spouse, fiance, or fiancee of the
- 15 employee; any person who is related to the employee within four
- 16 degrees of consanguinity; or the spouse, fiance, or fiancee of
- 17 such person.
- 18 [(k)] (1) Governing boards shall have the power to make and
- 19 execute contracts and all other instruments necessary or
- 20 convenient for the exercise of their duties and functions under
- 21 this chapter. [Whenever a charter school or governing board

- 1 seeks to enter into a contract with a private organization,
- 2 whether for profit or nonprofit, to manage or operate the
- 3 charter school, which contract requires the private organization
- 4 to employ or otherwise provide the charter school with an
- 5 individual to serve in the capacity of the chief executive
- 6 officer, chief administrative officer, executive director, or
- 7 designated head of the charter school, the charter school's
- 8 governing board, in consultation with the state ethics
- 9 commission, shall adopt standards of conduct that shall apply to
- 10 the chief executive officer, chief administrative officer,
- 11 executive director, or designated head of the charter school.
- 12 The standards of conduct shall include provisions relating to
- 13 gifts, fair treatment or misuse of position, and conflicts of
- 14 interest, and shall be incorporated into and made part of any
- 15 contract or arrangement between the charter school or governing
- 16 board and the private organization for those services.] "
- 17 SECTION 5. Section 302D-13, Hawaii Revised Statutes, is
- 18 amended to read as follows:
- 20 establishment. (a) New start-up and conversion charter schools
- 21 may be established pursuant to this section.

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1	(b)	Any community, department school, school community							
2	council,	group of teachers, group of teachers and							
3	administr	ators, or nonprofit organization may submit a letter of							
4	intent to	intent to an authorizer to form a charter $school[\tau]$ and							
5	establish	[a] an applicant governing board [as its governing							
6	<del>body, and</del>	]. An applicant governing board may develop a charter							
7	applicati	on pursuant to [subsection (d).] this section; provided							
8	that:								
9	(1)	An applicant governing board established by a							
10		community may develop a charter application for a							
11		start-up charter school;							
12	(2)	An applicant governing board established by a							
13		department school or a school community council may							
14		develop a charter application for a conversion charter							
15		school;							
16	(3)	An applicant governing board established by a group of							
17		teachers or a group of administrators may develop a							
18		charter application for a start-up or conversion							
19		charter school; and							
20	(4)	A nonprofit organization may:							

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1	<u>(A)</u>	Establish an applicant governing board that is
2		separate from the nonprofit organization and
3		develop a charter application for a start-up or
4		conversion charter school; or
5	<u>(B)</u>	Establish an applicant governing board that shall
6		be the board of directors of the nonprofit
7		organization and may develop a charter
8		application for a conversion charter school;
9	•	provided that any nonprofit organization that
10		seeks to manage and operate a conversion charter
11		school shall:
12		(i) Submit to the authorizer at the time of the
13		charter application bylaws or policies that
14		describe the manner in which business is
15		conducted and policies that relate to the
16		management of potential conflict of
17		interests situations;
18	<u>. (</u>	ii) Have experience in the management and
19		operation of public or private schools or,
20		to the extent necessary, agree to obtain

1				appropriate services from another entity or
2				entities possessing such experience; and
3		<u>(</u>	iii)	Not interfere in the operations of the
4				department school to be converted until
5				otherwise authorized by the authorizer in
6				consultation with the department.
7	(c)	The	[ <del>star</del>	t-up] charter school [charter] application
8	process a	nd so	hedul	e shall be determined by the authorizer, and
9	shall pro	viđe	for a	nd include, at a minimum, the following
10	elements:			
<b>l</b> 1	(1)	The	issua	nce and publication of a request for
12		prop	osals	by the authorizer on the authorizer's
13		webs	ite tl	nat, at a minimum:
<b>l</b> 4		<u>(A)</u>	Soli	cits charter applications and presents the
15			autho	orizer's strategic vision for chartering;
l <b>6</b>		<u>(B)</u>	Inclu	ides or directs applicant governing boards to
l <b>7</b>			the p	performance framework developed by the
<b>.8</b>			autho	orizer in accordance with section 302D-16;
9		<u>(C)</u>	Inclu	ides criteria that will guide the
20			autho	prizer's decision to approve or deny a
21			chart	ter application;

1		<u>(D)</u>	States clear, appropriately detailed questions
2			and provides guidelines concerning the format and
3			content essential for applicant governing boards
4			to demonstrate the capacities necessary to
5			establish and operate a successful charter
6			school; and
7		<u>(E)</u>	Requires charter applications to provide or
8			describe all essential elements, as determined by
9			the authorizer, of proposed school plans;
10	[ <del>(1)</del> ]	(2)	The submission of a letter of intent to open and
11		oper	ate a start-up charter school[+] or to convert a
12		depa	rtment school to a conversion charter school;
13	[ <del>-(2)-</del>	The-	availability of the charter application form and
14		comp	letion guidelines on the authorizer's website;
15	(3)	The	timely submission of a completed charter
16		appl	ication to the authorizer; provided that a charter
17		appl	ication for a conversion charter school shall
18		incl	ude certification and documentation that the
19		char	ter application was approved by a majority of the
20		<u>vote</u>	s cast by existing administrative, support, and

1		teac	ther personnel, and parents of students at the
2		exis	ting department school; provided that:
3		(A)	This vote shall be considered by the authorizer
4			to be the primary indication of the existing
5			administrative, support, and teaching personnel,
6			and parents' approval to convert to a charter
7			school;
8		(B)	The balance of stakeholders represented in the
9			vote and the extent of support received in
10			support of the conversion shall be key factors,
11			along with the applicant's proposed plans, to be
12			considered by the authorizer when deciding
13			whether to award a charter; and
14		<u>(C)</u>	A breakdown of the number of administrative,
15			support, and teaching personnel, and parents of
16			students who constitute the existing department
17			school and the number who actually participated
18			in the vote shall be provided to the authorizer;
19	(4)	The	timely review of the charter application by the
20		auth	orizer for completeness, and notification by the

1		authorizer to the <u>applicant</u> governing board that the
2		charter application is complete;
3	(5)	Upon receipt of a completed charter application, the
4		review and evaluation of the charter application by
5		qualified persons[+] including but not limited to:
6		(A) An in-person interview with representatives from
7		the applicant governing board; and
8		(B) An opportunity in a public forum for the public
9		to provide input on each charter application;
10	(6)	Following the review and evaluation of a charter
11		application, approval or denial of the charter
12		application by the authorizer[+] in a meeting open to
13		the public;
14	(7)	A provision for a final date by which a decision to
15		approve or deny a charter application must be made by
16		the authorizer, upon receipt of a complete charter
17		application; and
18	(8)	A provision that no [start-up] charter school may
19		begin operation before obtaining authorizer approval
20		of its charter application and charter contract and
21		fulfilling pre-opening requirements that may be

1		imposed by the authorizer[-], pursuant to section
2		302D-14.5.
3	(d)	A charter application to become a start-up or
4	conversio	${f n}$ charter school shall meet the requirements of this
5	subsectio	n [and], section 302D-25[-], and any other requirements
6	set by th	e authorizer. The charter application shall, at a
7	minimum[-	include the following: ]:
8	(1)	[A description of employee rights and management
9		issues and a framework for addressing those issues
10		that protects the rights of employees; ] Include plans
11		for a charter school that are likely to satisfactorily
. 12		meet the academic, financial, organizational, and
13		operational performance indicators, measures, and
14		metrics set forth in the authorizer's performance
15		framework, pursuant to section 302D-16;
16	(2)	[A plan for identifying, recruiting, and retaining
17		highly qualified instructional faculty as defined by
18		the department; Include plans for a charter school
19		that is in compliance with applicable laws; and

1	(3)	[ <del>A p</del>	lan for identifying, recruiting, and selecting
2		stud	ents that is not exclusive, elitist, or
3		segr	egationist, and complies with this chapter;
4	<del>(4)</del>	The-	curriculum and instructional framework to be used
5		<del>to a</del>	chieve student outcomes, including an assessment
6		<del>plan</del>	<del>;</del>
7	<del>(5)</del>	A pl	an for the assessment of student, administrative
8		supp	ort; and teaching personnel performance that:
9		<del>(A)</del>	Recognizes   Recognize the interests of the
10			general public[+
11		<del>(B)</del>	Incorporates or exceeds the educational content
12			and performance standards developed by the
13			department for the public school system;
14		<del>(C)</del> -	Includes a system of faculty and staff
15			accountability that holds faculty and staff
16			individually and collectively accountable for
17			their performance, and that is at least
18			equivalent to the average system of
19			accountability in public schools throughout the
20			State; and

1		(D) Provides for program audits and annual financial
2		audits;
3	<del>(6)</del>	A governance structure for the charter school that
4		incorporates a conflict of interest policy and a plan
5		for periodic training to carry out the duties of
6		governing board members;
7	<del>(7)</del>	A description of the constitution of the governing
8		board, terms of governing board members, and the
9		process by which governing board members were
10		selected;
11	<del>(8)</del>	A financial plan-based on the most recent fiscal
12		year's per pupil charter school allocation that
13		demonstrates the ability to meet the financial
14		obligations of one-time, start up costs and ongoing
15		costs such as monthly payrolls, faculty recruitment,
16		professional development, and facilities costs; and
17	<del>(9)</del>	A-facilities-plan].
18	(e)	In reviewing a charter application under this section,
19	an author	izer shall take into consideration the constitution of
20	the [ <del>appl</del>	icant's] applicant governing board, terms of applicant

- 1 governing board members, and the process by which applicant
- 2 governing board members were selected.
- 3 (f) In reviewing charter applications under this section,
- 4 an authorizer shall develop a schedule to approve or deny a
- 5 charter application by the end of the calendar year prior to the
- 6 opening year of the proposed charter school for purposes of
- 7 meeting any deadlines to request funding from the
- 8 legislature[-]; provided that nothing in this section shall be
- 9 construed as requiring an authorizer to accept and review
- 10 charter applications annually.
- 11 (g) In the event of a conflict between the provisions in
- 12 this section and other provisions in this chapter, this section
- 13 shall control."
- 14 SECTION 6. Section 302D-14.5, Hawaii Revised Statutes, is
- 15 amended as follows:
- 16 1. By amending subsections (a) through (c) to read as
- 17 follows:
- 18 "(a) The authorizer may require [a charter] an applicant
- 19 governing board whose charter application is approved by the
- 20 authorizer pursuant to section 302D-13 [or 302D-14] to
- 21 satisfactorily meet pre-contracting criteria set by the

- 1 authorizer before being allowed to enter into a charter
- 2 contract.
- 3 (b) An approved [charter] applicant governing board that
- 4 fails to satisfactorily meet the pre-contracting criteria and
- 5 enter into a charter contract with its authorizer within the
- 6 period initially established or subsequently extended by the
- 7 authorizer shall be considered to have withdrawn its
- 8 application.
- 9 (c) [A-charter] An applicant governing board shall not be
- 10 considered an entity of the State [until the], but shall have
- 11 the authority to execute the initial charter contract; provided
- 12 that the term of duration of the initial charter contract shall
- 13 not exceed five years, not including the pre-opening period.
- 14 Upon the execution of the initial charter contract, the
- 15 applicant governing board shall become the governing board of
- 16 the newly established pre-opening charter school [is established
- 17 by execution of the charter contract]. A pre-opening charter
- 18 school that is a conversion charter school shall be a separate
- 19 entity of the State from the department school from which it is
- 20 converting during the start-up period."
- 21 2. By amending subsection (f) to read:



- 1 "(f) An approved [charter] applicant governing board that
- 2 withdraws its application shall not be allowed to execute a
- 3 charter contract unless it reapplies and has its charter
- 4 application approved by an authorizer in accordance with this
- 5 chapter."
- 6 SECTION 7. Section 302D-17, Hawaii Revised Statutes, is
- 7 amended by amending subsection (b) to read as follows:
- 8 "(b) Each authorizer shall annually publish and provide,
- 9 as part of its annual report to the board and the legislature, a
- 10 performance report for each public charter school it oversees,
- 11 in accordance with the performance framework set forth in the
- 12 charter contract and section 302D-16. The authorizer [shall]
- 13 may require each public charter school it oversees to submit an
- 14 annual report to assist the authorizer in gathering complete
- 15 information about each school. The annual report [shall] may
- 16 include the status of the charter school's compliance with
- 17 annual performance targets, as determined by the charter
- 18 contract."
- 19 SECTION 8. Section 302D-21, Hawaii Revised Statutes, is
- 20 amended to read as follows:

1	"§30	<b>2D-21 Annual board report.</b> No later than [twenty days
2	<del>prior to</del>	the convening] the opening day of each regular session
3	of the le	gislature, the board shall issue to the governor, the
4	legislatu	re, and the public, an annual report on the State's
5	public ch	arter schools, drawing from the annual reports
6	submitted	by every authorizer, as well as any additional
7	relevant	data compiled by the board, for the school year ending
8	in the pr	eceding calendar year. The annual report shall
9	include:	
10	(1)	The board's assessment of the successes, challenges,
11		and areas for improvement in meeting the purposes of
12		this chapter, including the board's assessment of the
13		sufficiency of funding for public charter schools, and
14		any suggested changes in state law or policy necessary
15		to strengthen the State's public charter schools;
16	(2)	A line-item breakdown of all federal funds received by
17		the department and distributed to authorizers;
18	(3)	Any concerns regarding equity and recommendations to
19		improve access to and distribution of federal funds to
20		public charter schools; and

1	(4) A discussion of all board policies adopted in the
2	previous year, including a detailed explanation as to
3	whether each policy is or is not applicable to charter
4	schools."
5	SECTION 9. Section 302D-24, Hawaii Revised Statutes, is
6	amended by amending subsection (a) to read as follows:
7	"(a) When the department considers whether to close any
8	particular department school, the department shall submit a
9	notice of possible availability of a department school or notice
10	of vacancy of a department school to the board pursuant to
11	section 302A-1151.5(b)[; provided that the department has not
12	elected to use the department school to support education
13	programs]."
14	SECTION 10. Section 302D-33, Hawaii Revised Statutes, is
15	amended by amending subsection (a) to read as follows:
16	"(a) The [ <del>commission</del> ] <u>authorizer</u> shall [ <del>develop procedures</del>
17	for obtaining require charter schools to obtain verifiable
18	information regarding the criminal history of persons who are
19	employed or seeking employment in any position, including
20	teacher trainees, that places them in close proximity to
21	children[. These procedures shall include], including criminal

1	history record checks in accordance with section 846-2.7.
2	Information obtained pursuant to this subsection shall be used
3	exclusively by the [employer or prospective employer] charter
4	school for the purpose of determining whether a person is
5	suitable for working in close proximity to children. All such
6	decisions shall be subject to applicable federal laws and
7	regulations."
8	SECTION 11. Section 302D-34, Hawaii Revised Statutes, is
9	amended by amending subsection (b) to read as follows:
10	"(b) A start-up charter school:
11	(1) Shall be open to any student residing in the State who
12	is entitled to attend a department school;
13	(2) Shall enroll all students who submit an application,
14	unless the number of students who submit an
15	application exceeds the capacity of a program, class,
16	grade level, or building; provided that a student who
17	is currently enrolled in a charter school that has
18	been notified of the prospect of revocation in
19	accordance with section 302D-18, or is closing in
20	accordance with section 302D-19, whichever occurs
21	first, may be given first priority to enroll at

1		another charter school to which the student applies,
2		or placed at the top of the waitlist for enrollment;
3	(3)	Shall select students through a public lottery if, as
4		described in paragraph (2), capacity is insufficient
5		to enroll all students who have submitted a timely
6		application;
7	(4)	May give an enrollment preference to students within a
8		given age group or grade level and may be organized
9		around a special emphasis, theme, or concept as stated
10		in the charter school's application and as approved by
11		the charter school's authorizer;
12	(5)	May give an enrollment preference to students enrolled
13		in the charter school during the previous school year
14		and to siblings of students already enrolled at the
15		charter school; [and]
16	(6)	May give an enrollment preference through a weighted
17		lottery to educationally disadvantaged students. For
18		the purposes of this section, "weighted lottery" means
19		any lottery that gives additional weight to individual
20		students who are identified as part of a specified set
21		of students but does not reserve or set aside seats

1		for individual students or sets of students. For the
2		purposes of this section, "educationally disadvantaged
3		students" means students who are economically
4		disadvantaged, students with disabilities, migrant
5		students, limited English proficient students,
6		neglected or delinquent students, and homeless
7		students; and
8	[ <del>-(6)-</del> ]	(7) May give any other enrollment preference
9		permitted by the charter school's authorizer, on an
10		individual charter school basis, if consistent with
11		law;
12	provided t	that nothing in this subsection shall preclude the
13	formation	of a start-up charter school whose mission is focused
14	on serving	g students with disabilities, who are of the same
15	gender, wl	no pose such severe disciplinary problems that they
16	warrant a	specific educational program, or who are at a risk of
17	academic :	failure."
18	SECT	ION 12. Section 302D-14, Hawaii Revised Statutes, is
19	repealed.	

1	[ # <del>§3(</del>	02D-14 Conversion charter schools; establishment. (a)
2	A conversi	ion charter school may be established pursuant to this
3	section.	
4	<del>(b)</del>	Any department school, school community council, group
5	of teacher	rs, group of teachers and administrators, or nonprofit
6	o <del>rganizati</del>	ion may submit a letter of intent to an authorizer to
7	<del>convert a</del>	department school to a charter school, establish a
8	governing	board as its governing body, and develop a charter
9	application	on pursuant to subsection (d).
10	<del>(c)</del>	The conversion charter school charter application
11	<del>process a</del> r	nd schedule shall be determined by the authorizer, and
12	shall prov	vide for and include the following elements:
13	<del>(1)</del> -	The submission of a letter of intent to convert to a
14		charter school;
15	<del>(2)</del>	The availability of the charter application form and
16		completion guidelines on the authorizer's website;
17	<del>(3)</del>	The timely submission of a completed charter
18		application to the authorizer; provided that the
19		charter application shall include certification and
20		documentation that the charter application was
21		approved by a majority of the votes cast by existing

1		admi	nistrative, support, and teaching personnel, and			
2		<del>par</del> e	parents of students at the existing department school;			
3		prov	ided that:			
4		<del>-(A)-</del>	This vote shall be considered by the authorizer			
5			to be the primary indication of the existing			
6			administrative, support, and teaching personnel,			
7			and parents' approval to convert to a charter			
8			school;			
9		<del>(B)</del>	The balance of stakeholders represented in the			
10			vote and the extent of support received in			
<b>11</b>			support of the conversion shall be key factors,			
12			along with the applicant's proposed plans, to be			
13			considered by the authorizer when deciding			
14			whether to award a charter; and			
15		<del>(C)</del>	A breakdown of the number of administrative,			
16			support, and teaching personnel, and parents of			
17			students who constitute the existing department			
18			school and the number who actually participated			
19			in the vote shall be provided to the authorizer;			
20	(4)	The	timely review of the charter application by the			
21		auth	orizer for completeness, and notification by the			

1		authorizer to the governing board that the charter
2		application is complete;
3	<del>(5)</del>	Upon receipt of a completed charter application, the
4		review and evaluation of the charter application by
5		qualified persons;
6	<del>-(6)</del>	Following the review and evaluation of a charter
7		application, approval or denial of the charter
8		application by the authorizer;
9	<del>(7)</del>	A provision for a final date by which a decision of
10		whether to approve or deny a charter application must
11		be made by the authorizer, upon receipt of a complete
12		charter application; and
13	<del>(8)</del>	A provision that no conversion charter school may
14		begin operation before obtaining authorizer approval
15		of its charter and charter contract and fulfilling
16		pre opening requirements that may be imposed by the
17		authorizer.
18	<del>(d)</del> –	A charter application to become a conversion charter
19	school sh	all meet the requirements of this subsection and
20	section 3	02D-25. The charter application shall include, at a
21	minimum,-	the following:

1	<del>(1)</del>	A description of employee rights and management issues
2		and a framework for addressing those issues that
3		protects the rights of employees;
4	<del>(2)</del>	A plan for identifying, recruiting, and retaining
5		highly qualified instructional faculty, as defined by
6		the department;
7	<del>(3)</del>	A plan for identifying, recruiting, and selecting
8		students that is not exclusive, clitist, or
9		segregationist, and complies with this chapter;
10	(4)	The curriculum and instructional framework to be used
11		to achieve student outcomes, including an assessment
12		<del>plan;</del>
13	<del>(5)</del>	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;
19		(C) Includes a system of faculty and staff
20		accountability that holds faculty and staff
21		individually and collectively accountable for

1		their performance, and that is at least
2		equivalent to the average system of
3		accountability in public schools throughout the
4		<del>State; and</del>
5		(D) Provides for program audits and annual financial
6		audits;
7	<del>(6)</del>	A governance structure for the charter school that
8		incorporates a conflict of interest policy and a plan
9		for periodic training to carry out the duties of
10		governing board members;
11	<del>(7)</del>	A description of the constitution of the governing
12		board, terms of governing board members, and the
13		process by which governing board members were
14		selected;
15	<del>(8)</del>	A financial plan based on the most recent fiscal
16		year's per pupil charter school allocation that
17		demonstrates the ability to meet the financial
18		obligations of one time, start up costs and ongoing
19		costs such as monthly payrolls, faculty recruitment,
20		professional development, and facilities costs; and
21	<del>(9)</del>	A facilities plan.

1	<del>(e)</del>	A nonprofit organization may submit a letter of intent
2	<del>to an aut</del>	horizer to convert a department school to a conversion
3	<del>charter s</del>	chool, operate and manage the school, establish a
4	governing	board as its governing body, and develop a charter
5	applicati	on pursuant to subsection (d); provided that:
6	<del>(1)</del>	As the governing body of the conversion charter
7		school, the governing board shall be the board of
8		directors of the nonprofit organization and shall-not
9		be selected pursuant to section 302D 12. The
10		nonprofit organization may also appoint advisory
11		groups of community representatives for each school
12		managed by the nonprofit organization; provided that
13		these groups shall not have governing authority over
14		the school and shall-serve only in an advisory
15		capacity to the nonprofit organization;
16	<del>(2)</del>	The charter application for each conversion charter
17		school to be operated by the nonprofit organization
18		shall be formulated, developed, and submitted by the
19		nonprofit organization, and shall be approved by a
20		majority of the votes east by existing administrative,
21		support, and teaching personnel, and parents of

1		stud	ents of the existing department school; provided
2		that	÷
3		<del>(A)</del>	This vote shall be considered by the authorizer
4			to be the primary indication of the existing
5			administrative, support, and teaching personnel,
6			and parents' approval to convert to a charter
7			school;
8		<del>(B)</del>	The balance of stakeholders represented in the
9			vote and the extent of support received in
10			support of the conversion shall be a key factor,
11			along with the applicant's proposed plans, in an
12			authorizer's decision to award a charter; and
13		<del>(C)</del>	A breakdown of the number of administrative,
14			support, and teaching personnel, and parents of
15			students who constitute the existing department
16			school and the number who actually participated
17			in the vote shall be provided to the authorizer;
18	<del>(3)</del>	The-	board of directors of the nonprofit organization,
19		<del>as t</del>	he governing body for the conversion charter
20		scho	ol that it operates and manages, shall have the

1		same protections that are afforded to the board in its
2		role as the conversion charter school governing body;
3	-(4)	Any conversion charter school that is managed and
4		operated by a nonprofit organization shall be eligible
5		for the same federal and state funding as other public
6		schools; provided that nothing in this section shall
7		prohibit a nonprofit organization from making a
8		contribution toward the operation of a conversion
9		charter school; and
10	<del>(5)</del>	If, at any time, the board of directors of the
11		nonprofit organization governing the conversion
12		charter school votes to discontinue its relationship
13		with the charter school, the charter school may submit
14		a revised charter application to the authorizer to
15		continue as a conversion charter school without the
16		participation of the nonprofit organization.
L <b>7</b>	<del>(f)</del>	Any nonprofit organization that seeks to manage or
18	<del>operate a</del>	conversion charter school as provided in subsection
19	<del>(e) shall</del>	comply with the following at the time of charter
20	application	<del>on:</del>

1	<del>(1)</del>	Have bylaws or policies that describe the manner in
2		which business is conducted and policies that relate
3		to the management of potential conflict of interest
4		situations;
5	<del>(2)</del>	Have experience in the management and operation of
6		public or private schools or, to the extent necessary,
7		agree to obtain appropriate services from another
8		entity or entities possessing such experience;
9	<del>(3)</del>	Comply with all-applicable federal, state, and county
10		laws, including licensure or accreditation, as
11		applicable; and
12	<del>(4)</del>	Comply with any other requirements prescribed by the
13		department to ensure adherence with applicable
14		federal, state, and county laws, and the purposes of
15		this chapter.
16	<del>(g)</del>	In reviewing a charter application for a charter under
17	this sect	ion, an authorizer shall take into consideration the
18	constitut:	ion of the applicant's governing board, terms of
19	governing	board members, and the process by which governing
20	board meml	bers were selected.

11

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1 (h) In the event of a conflict between the provisions in this section and other provisions in this chapter, this section 2 3 shall control. 4 (i) In reviewing charter applications for a charter under 5 this section, an authorizer shall develop a schedule to approve or deny a charter application by the end of the calendar year 6 7 for purposes of meeting any deadlines to request funding from 8 the legislature."] 9 SECTION 13. Statutory material to be repealed is bracketed 10 and stricken. New statutory material is underscored.

SECTION 14. This Act shall take effect upon its approval.

#### Report Title:

Public Charter Schools; Charter Schools Commission

#### Description:

Amends the chapter governing public charter schools to align the requirements for start-up and conversion charter schools. Defines "applicant governing board" and makes conforming amendments. Makes other housekeeping amendments. (HB1001 HD1)

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