
A BILL FOR AN ACT

RELATING TO CHARTER SCHOOLS.

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

1 PART I

2 SECTION 1. The legislature finds that during the 2010
3 regular session, the legislature adopted Senate Concurrent
4 Resolution No. 108, S.D. 2, requesting the convening of a task
5 force to establish a consistent funding formula, process, or
6 both, by which equitable funding to charter schools could be
7 determined. Facilities funding for charter schools is a
8 critically important issue, but the legislature recognizes that
9 the establishment of a needs-based facilities funding formula is
10 a work in progress.

11 The legislature further finds that as charter schools
12 continue to become a visible component of the education system
13 in Hawaii, it is imperative to ensure that charter schools
14 function in an efficient and cost-effective manner.

15 The purpose of this Act, therefore, is to:

16 (1) Require the Charter School Administrative Office to
17 include with the budget and capital improvement
18 projects request, a detailed explanation of the



- 1 formula used for needs-based facilities funding
2 requests and a funding request breakdown by school;
- 3 (2) Re-establish the charter schools funding task force
4 and require the task force to develop a needs-based
5 facilities funding formula, process, or both, for
6 charter schools;
- 7 (3) Permit charter schools to appeal a denial of
8 reauthorization by the charter school review panel to
9 the board of education;
- 10 (4) Require charter schools and their local school boards
11 to develop internal policies and procedures consistent
12 with ethical standards of conduct;
- 13 (5) Change the frequency of each charter school's
14 evaluation to every six years from every five years
15 after the initial evaluation; and
- 16 (6) Establish a task force on charter school governance,
17 accountability, and authority to provide clarity to
18 the relationships, responsibilities, and lines of
19 accountability and authority among stakeholders of the
20 charter school system.

21 SECTION 2. Section 302B-8, Hawaii Revised Statutes, is
22 amended by amending subsection (b) to read as follows:



1 "(b) The executive director, under the direction of the
2 panel and in consultation with the charter schools, shall be
3 responsible for the internal organization, operation, and
4 management of the charter school system, including:

5 (1) Preparing and executing the budget and the capital
6 improvement projects request for the charter schools,
7 including submission of the all means of finance
8 budget request that reflects all anticipated
9 expenditures to the panel, the board, the governor,
10 and the legislature; provided that, in preparing the
11 budget request with regard to needs-based facilities
12 funding, the executive director shall ensure that, as
13 a budget item separate from other operating costs, the
14 request [~~provides:~~

15 ~~(A) Funding for projected enrollment for the next~~
16 ~~school year for each charter school;~~
17 ~~(B) A calculation showing the per pupil funding based~~
18 ~~on the department of budget and finance's debt~~
19 ~~service appropriation for the department of~~
20 ~~education divided by the department of~~
21 ~~education's actual enrollment that school year;~~
22 and



1 ~~(C) That no less than seventy per cent of the amount~~
2 ~~appropriated shall be allocated by the office to~~
3 ~~start up charter schools on a per pupil basis;~~
4 ~~provided that the funds remaining shall be~~
5 ~~allocated to charter schools with facilities~~
6 ~~needs as recommended by the office and approved~~
7 ~~by the panel;]~~

8 is accompanied by a detailed explanation of the
9 formula used and a funding request breakdown by
10 school;

- 11 (2) Allocating annual appropriations to the charter
12 schools and distribution of federal funds to charter
13 schools;
- 14 (3) Complying with applicable state laws related to the
15 administration of the charter schools;
- 16 (4) Preparing contracts between the charter schools and
17 the department for centralized services to be provided
18 by the department;
- 19 (5) Preparing contracts between the charter schools and
20 other state agencies for financial or personnel
21 services to be provided by the agencies to the charter
22 schools;



- 1 (6) Providing independent analysis and recommendations on
2 charter school issues;
- 3 (7) Representing charter schools and the charter school
4 system in communications with the board, the governor,
5 and the legislature;
- 6 (8) Providing advocacy, assistance, and support for the
7 development, growth, progress, and success of charter
8 schools and the charter school system;
- 9 (9) Providing guidance and assistance to charter
10 applicants and charter schools to enhance the
11 completeness and accuracy of information for panel
12 review;
- 13 (10) Assisting charter applicants and charter schools in
14 coordinating their interactions with the panel as
15 needed;
- 16 (11) Assisting the panel to coordinate with charter schools
17 in panel investigations and evaluations of charter
18 schools;
- 19 (12) Serving as the conduit to disseminate communications
20 from the panel, the board, and the department to all
21 charter schools;



- 1 (13) Determining charter school system needs and
2 communicating those needs to the panel, the board, and
3 the department;
- 4 (14) Establishing a dispute resolution and mediation
5 process; and
- 6 (15) Upon request by one or more charter schools, assisting
7 in the negotiation of a collective bargaining
8 agreement with the exclusive representative of its
9 employees."

10 SECTION 3. (a) There is established within the charter
11 school administrative office for administrative purposes only,
12 the charter schools facilities funding task force.

13 (b) The task force shall consist of the following members:

- 14 (1) The chief financial officer of the charter school
15 administrative office;
- 16 (2) The chief financial officer of the department of
17 education;
- 18 (3) The director of finance, or the director's designee;
- 19 (4) The chairperson of the house of representatives
20 committee on finance;
- 21 (5) The chairperson of the senate committee on ways and
22 means;



- 1 (6) A representative of the Ho'okako'o Corporation;
- 2 (7) The executive director of the Hawaii Charter Schools
- 3 Network, or the executive director's designee;
- 4 (8) A representative of the charter school review panel;
- 5 and
- 6 (9) A representative from the Hawaii Charter School
- 7 Network.

8 (c) The task force shall determine a needs-based
9 facilities funding formula, process, or both, to be used by all
10 agencies in the calculation of charter school facilities funding
11 in the State. In making this determination, the task force
12 shall examine various aspects of needs-based facilities funding.

13 (d) The charter school administrative office shall provide
14 staff support to the task force.

15 (e) The task force shall submit a report of its findings
16 and recommendations, including any proposed legislation, to the
17 legislature no later than twenty days prior to the convening of
18 the regular session of 2012.

19 (f) The task force shall cease to exist on July 1, 2012.

20 PART II

21 SECTION 4. Section 302B-3, Hawaii Revised Statutes, is
22 amended by amending subsection (i) to read as follows:



- 1 "(i) The powers and duties of the panel shall be to:
- 2 (1) Appoint and evaluate the executive director and
- 3 approve staff and salary levels for the charter school
- 4 administrative office;
- 5 (2) Review, approve, or deny charter applications for new
- 6 charter schools in accordance with section 302B-5 for
- 7 the issuance of new charters; provided that applicants
- 8 that are denied a charter may appeal to the board for
- 9 a final decision pursuant to section 302B-3.5;
- 10 (3) Review, approve, or deny significant amendments to
- 11 detailed implementation plans to maximize the school's
- 12 financial and academic success, long-term
- 13 organizational viability, and accountability. Charter
- 14 schools that are denied a significant amendment to
- 15 their detailed implementation plan may appeal to the
- 16 board for a final decision pursuant to section 302B-
- 17 3.5;
- 18 (4) Pursuant to section 302B-3.6, compile and submit
- 19 prioritized lists of charter schools to the department
- 20 and enter into necessary agreements with the
- 21 department to authorize charter schools to use and



- 1 occupy vacant public school facilities or portions of
2 school facilities;
- 3 (5) Adopt reporting requirements for charter schools;
- 4 (6) Review annual self-evaluation reports from charter
5 schools and take appropriate action;
- 6 (7) Adopt a clear process and rigorous organizational and
7 educational criteria, including student achievement as
8 a significant factor, for the authorization and
9 reauthorization of school charters;
- 10 (8) Evaluate each school charter, for the purpose of
11 determining reauthorization, no later than four years
12 following the initial issue of a charter and every six
13 years thereafter; provided that charter schools that
14 are denied reauthorization may appeal to the board for
15 a final decision pursuant to section 302B-3.5;
- 16 (9) Evaluate any aspect of a charter school that the panel
17 may have concerns with and take appropriate action,
18 which may include probation or revocation; provided
19 that charter schools that have their charter revoked
20 may appeal to the board for a final decision pursuant
21 to section 302B-3.5;



- 1 (10) Periodically adopt improvements in the panel's
- 2 monitoring and oversight of charter schools;
- 3 (11) Periodically adopt improvements in the office's
- 4 support of charter schools and management of the
- 5 charter school system;
- 6 (12) Review, modify, and approve charter schools' all means
- 7 of finance budget, based upon criteria and an approval
- 8 process established by the panel;
- 9 (13) Survey all charter school facilities prior to, and in
- 10 preparation for, determining recommendations to
- 11 allocate non-per-pupil facilities funds to charter
- 12 schools with facilities needs. The survey shall
- 13 include, at minimum, for each charter school facility:
- 14 (A) The current status of the facility;
- 15 (B) Facilities costs, including all rents, leases,
- 16 purchases, and repair and maintenance for lands
- 17 and buildings;
- 18 (C) A prioritized list of facilities needs;
- 19 (D) Any capital improvement projects underway or
- 20 scheduled; and



1 (E) Whether the facility is a conversion or start-up
2 charter school, and current and projected
3 enrollment; and

4 (14) Evaluate and investigate charter schools when concerns
5 arise that necessitate the resolution or assistance
6 with the resolution of legal, fiscal, health, safety,
7 and other serious issues."

8 SECTION 5. Section 302B-3.5, Hawaii Revised Statutes, is
9 amended to read as follows:

10 "[+]§302B-3.5[+] Appeals; charter school applications,
11 reauthorizations, revocations, or detailed implementation plan
12 amendments. The board shall have the power to decide appeals
13 from decisions of the panel to deny the approval of a charter
14 school application, deny reauthorization of a charter school,
15 revoke a charter school's charter, or deny the approval of an
16 amendment to a charter school's detailed implementation plan.
17 An appeal shall be filed with the board within twenty-one
18 calendar days of the receipt of the notification of denial or
19 revocation. Only a party whose charter school application has
20 been denied, whose reauthorization has been denied, whose
21 charter has been revoked, or whose amendment to a detailed
22 implementation plan has been denied may initiate an appeal under



1 this section for cause. The board shall review an appeal and
2 issue a final decision within sixty calendar days of the filing
3 of the appeal. The board may adopt applicable rules and
4 procedures pursuant to chapter 91 for implementing the appeals
5 process."

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

8 **"§302B-7 Charter school local school boards; powers and**

9 **duties.** (a) All local school boards, with the exception of
10 those of conversion charter schools that are managed and
11 operated by a nonprofit organization pursuant to section
12 302B-6(e), shall be composed of, at a minimum, one
13 representative from each of the following participant groups:

- 14 (1) Principals;
- 15 (2) Instructional staff members selected by the school
16 instructional staff;
- 17 (3) Support staff selected by the support staff of the
18 school;
- 19 (4) Parents of students attending the school selected by
20 the parents of the school;
- 21 (5) Student body representatives selected by the students
22 of the school; and



1 (6) The community at large.

2 (b) No chief executive officer, chief administrative
3 officer, executive director, or otherwise designated head of a
4 school may serve as the chair of the local school board.

5 (c) The local school board shall be the autonomous
6 governing body of its charter school and shall be responsible
7 for the financial and academic viability of the charter school,
8 implementation of the charter, and the independent authority to
9 determine the organization and management of the school, the
10 curriculum, virtual education, and compliance with applicable
11 federal and state laws. The local school board shall have the
12 power to negotiate supplemental collective bargaining agreements
13 with the exclusive representatives of their employees.

14 (d) Local school boards shall be exempt from chapter 103D,
15 but shall develop internal policies and procedures for the
16 procurement of goods, services, and construction, consistent
17 with the goals of public accountability and public procurement
18 practices. Charter schools are encouraged to use the provisions
19 of chapter 103D wherever possible; provided that the use of one
20 or more provisions of chapter 103D shall not constitute a waiver
21 of the exemption from chapter 103D and shall not subject the
22 charter school to any other provision of chapter 103D.



1 (e) Charter schools and their local school boards shall be
2 exempt from the requirements of chapters 91 and 92. The local
3 school boards shall:

4 (1) Make available the notices and agendas of public
5 meetings:

6 (A) At a publicly accessible area in the local school
7 board's office or the charter school
8 administrative office so as to be available for
9 review during regular business hours; and

10 (B) On the local school board's or charter school's
11 internet website not less than six calendar days
12 prior to the public meeting, unless a waiver is
13 granted by the executive director in the case of
14 an emergency; and

15 (2) Make available the minutes from public meetings on a
16 timely basis in:

17 (A) The local school board's office or the charter
18 school administrative office so as to be
19 available for review during regular business
20 hours; and

21 (B) On the local school board's or charter school's
22 internet website.



1 (f) Charter schools and their local school boards shall
2 develop internal policies and procedures consistent with ethical
3 standards of conduct, pursuant to chapter 84.

4 [~~f~~] (g) The State shall afford the local school board of
5 any charter school the same protections as the State affords the
6 board."

7 SECTION 7. Section 302B-14, Hawaii Revised Statutes, is
8 amended by amending subsection (b) to read as follows:

9 "(b) The panel shall conduct a multi-year evaluation of
10 each charter school on its fourth anniversary year and every
11 [~~five~~] six years thereafter. The panel may from time to time
12 establish a schedule to stagger the multi-year evaluations."

13 SECTION 8. (a) There is established within the department
14 of education for administrative purposes only, a task force on
15 charter school governance, accountability, and authority. The
16 purpose of the task force shall be to provide clarity to the
17 relationships, responsibilities, and lines of accountability and
18 authority among stakeholders of the charter school system.

19 (b) The task force shall consist of the following members:

20 (1) The chair of the senate committee on education;

21 (2) The chair of the house of representatives committee on
22 education;



- 1 (3) A representative from the office of the governor;
- 2 (4) The state ethics commissioner, or the commissioner's
3 designee;
- 4 (5) A member of the board of education;
- 5 (6) The superintendent of education, or the
6 superintendent's designee;
- 7 (7) The executive director of the charter school
8 administrative office, or the executive director's
9 designee;
- 10 (8) The chair of the charter school review panel, or the
11 chair's designee;
- 12 (9) A representative from Kamehameha Schools;
- 13 (10) A representative from the Ho'okako'o Corporation;
- 14 (11) A representative from a start-up charter school; and
- 15 (12) A representative from the Hawaii Charter Schools
16 Network.
- 17 (c) The task force shall:
- 18 (1) Develop legislation or administrative rules that
19 clearly and definitively designate the governance
20 structure and authority between and among key charter
21 school organizations and the department of education,



1 the board of education, and the office of the
2 governor; and

3 (2) Identify how the governance structure connects and
4 relates to the state education agency and local
5 education agency.

6 (d) The charter school administrative office shall be
7 designated to provide administrative support, if necessary, to
8 the task force.

9 (e) The task force shall submit a report of its findings
10 and recommendations, including any proposed legislation, to the
11 legislature no later than twenty days prior to the convening of
12 the regular session of 2012.

13 PART III

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

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



Report Title:

Charter Schools; Facilities Funding Formula; Governance;
Accountability; Task Forces

Description:

Requires charter school budget requests for needs-based facilities funding to include a detailed explanation as to the formula used and the funding request breakdown by school. Allows charter schools to appeal and denied reauthorizations to BOE. Requires charter schools and their local school boards to develop internal policies and procedures on ethics. Requires the Charter School Review Panel to conduct a multi-year evaluation of each charter school every six years, instead of every five. Establishes separate task forces to (1) determine a needs-based facilities funding formula for charter schools and (2) address issues on charter school governance, accountability, and authority. Effective July 1, 2050. (SB1174 HD1).

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

