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# A BILL FOR AN ACT

RELATING TO CHARTER SCHOOLS.

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

1       SECTION 1. Section 302B-3, Hawaii Revised Statutes, is  
2 amended by amending subsection (i) to read as follows:

3       "(i) The powers and duties of the panel shall be to:

4       (1) Appoint and evaluate the executive director and  
5       approve staff and salary levels for the charter school  
6       administrative office;

7       (2) Review, approve, or deny charter applications for new  
8       charter schools in accordance with section 302B-5 for  
9       the issuance of new charters; provided that applicants  
10       that are denied a charter may appeal to the board for  
11       a final decision pursuant to section 302B-3.5;

12       (3) Review, approve, or deny significant amendments to  
13       detailed implementation plans to maximize the school's  
14       financial and academic success, long-term  
15       organizational viability, and accountability. Charter  
16       schools that are denied a significant amendment to  
17       their detailed implementation plan may appeal to the



- 1 board for a final decision pursuant to section  
2 302B-3.5;
- 3 (4) Pursuant to section 302B-3.6, compile and submit  
4 prioritized lists of charter schools to the department  
5 and enter into necessary agreements with the  
6 department to authorize charter schools to use and  
7 occupy vacant public school facilities or portions of  
8 school facilities;
- 9 (5) Adopt reporting requirements for charter schools;
- 10 (6) Review annual self-evaluation reports from charter  
11 schools and take appropriate action;
- 12 (7) Adopt a clear process and rigorous organizational and  
13 educational criteria, including student achievement as  
14 a significant factor, for the authorization and  
15 reauthorization of school charters;
- 16 (8) Evaluate each school charter, for the purpose of  
17 determining reauthorization, no later than four years  
18 following the initial issue of a charter and every six  
19 years thereafter; provided that charter schools that  
20 are denied reauthorization may appeal to the board for  
21 a final decision pursuant to section 302B-3.5;



- 1           (9) Evaluate any aspect of a charter school that the panel  
2           may have concerns with and take appropriate action,  
3           which may include special monitoring, temporary  
4           withholding of an allocation for non-compliance  
5           issues, probation, or revocation; provided that  
6           charter schools that have their charter revoked may  
7           appeal to the board for a final decision pursuant to  
8           section 302B-3.5;
- 9           (10) Periodically adopt improvements in the panel's  
10          monitoring and oversight of charter schools;
- 11          (11) Periodically adopt improvements in the office's  
12          support of charter schools and management of the  
13          charter school system;
- 14          (12) Review, modify, and approve charter schools' all means  
15          of finance budget, based upon criteria and an approval  
16          process established by the panel;
- 17          (13) Survey all charter school facilities prior to, and in  
18          preparation for, determining recommendations to  
19          allocate non-per-pupil facilities funds to charter  
20          schools with facilities needs. The survey shall  
21          include, at minimum, for each charter school facility:  
22          (A) The current status of the facility;



1 (B) Facilities costs, including all rents, leases,  
2 purchases, and repair and maintenance for lands  
3 and buildings;

4 (C) A prioritized list of facilities needs;

5 (D) Any capital improvement projects underway or  
6 scheduled; and

7 (E) Whether the facility is a conversion or start-up  
8 charter school, and current and projected  
9 enrollment; [~~and~~]

10 (14) Evaluate and investigate charter schools when concerns  
11 arise that necessitate the resolution or assistance  
12 with the resolution of legal, fiscal, health, safety,  
13 and other serious issues[~~-~~]; and

14 (15) Ensure that local school boards are fulfilling their  
15 oversight responsibilities pursuant to section  
16 302B-7."

17 SECTION 2. Section 302B-3.5, Hawaii Revised Statutes, is  
18 amended to read as follows:

19 "[~~+~~]**§302B-3.5[+]** Appeals; charter school applications,  
20 revocations, or detailed implementation plan amendments. The  
21 board shall have the power to decide appeals from decisions of  
22 the panel to deny the approval of a charter school application,



1 deny reauthorization of a charter school, revoke a charter  
2 school's charter, or deny the approval of an amendment to a  
3 charter school's detailed implementation plan. An appeal shall  
4 be filed with the board within twenty-one calendar days of the  
5 receipt of the notification of denial or revocation. Only a  
6 party whose charter school application has been denied, whose  
7 charter has been revoked, or whose amendment to a detailed  
8 implementation plan has been denied may initiate an appeal under  
9 this section for cause. The board shall review an appeal and  
10 issue a final decision within sixty calendar days of the filing  
11 of the appeal. The board may adopt applicable rules and  
12 procedures pursuant to chapter 91 for implementing the appeals  
13 process."

14 SECTION 3. Section 302B-7, Hawaii Revised Statutes, is  
15 amended as follows:

16 "**§302B-7 Charter school local school boards; powers and**  
17 **duties.** (a) All local school boards, with the exception of  
18 those of conversion charter schools that are managed and  
19 operated by a nonprofit organization pursuant to section  
20 302B-6(e), shall be composed of, at a minimum, one  
21 representative from each of the following participant groups:

22 (1) Principals;



1 (2) Instructional staff members selected by the school  
2 instructional staff;

3 (3) Support staff selected by the support staff of the  
4 school;

5 (4) Parents of students attending the school selected by  
6 the parents of the school;

7 (5) Student body representatives selected by the students  
8 of the school; and

9 (6) The community at large.

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

13 (c) The local school board shall be the autonomous  
14 governing body of its charter school and shall have oversight  
15 over and be responsible for the financial and academic viability  
16 of the charter school, implementation of the charter, and the  
17 independent authority to determine the organization and  
18 management of the school, the curriculum, virtual education, and  
19 compliance with applicable federal and state laws. The local  
20 school board shall have the power to negotiate supplemental  
21 collective bargaining agreements with the exclusive  
22 representatives of their employees.



1           (d) Local school boards shall be exempt from chapter 103D,  
2 but shall develop internal policies and procedures for the  
3 procurement of goods, services, and construction, consistent  
4 with the goals of public accountability and public procurement  
5 practices. Charter schools are encouraged to use the provisions  
6 of chapter 103D wherever possible; provided that the use of one  
7 or more provisions of chapter 103D shall not constitute a waiver  
8 of the exemption from chapter 103D and shall not subject the  
9 charter school to any other provision of chapter 103D.

10           (e) Charter schools and their local school boards shall be  
11 exempt from the requirements of chapters 91 and 92. The local  
12 school boards shall:

13           (1) Make available the notices and agendas of public  
14 meetings:

15           (A) At a publicly accessible area in the local school  
16 board's office or the charter school  
17 administrative office so as to be available for  
18 review during regular business hours;

19           (B) On the local school board's or charter school's  
20 internet website not less than six calendar days  
21 prior to the public meeting, unless a waiver is



1 granted by the executive director in the case of  
2 an emergency; and

3 (2) Make available the minutes from public meetings on a  
4 timely basis and a list of the names of the local  
5 school board's members and officers in:

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

10 (B) On the local school board's or charter school's  
11 internet website.

12 (f) Local school boards shall meet no less than once every  
13 quarter; provided that local school boards may meet as  
14 frequently as necessary to fulfill their oversight  
15 responsibilities.

16 (g) If a local school board is not fulfilling its  
17 oversight responsibilities pursuant to subsection (c), the  
18 panel, after working with the local school board, may require  
19 the local school board to undergo mandatory board training and  
20 may reconstitute the local school board, if necessary.

21 (h) Local school boards shall develop and adopt necessary  
22 policies, procedures, and bylaws consistent with this section.





1 Local school boards shall make their policies, procedures, and  
2 bylaws available for public review.

3 (i) Charter schools and their local school boards shall  
4 develop internal policies and procedures, including a conflict  
5 of interest policy consistent with ethical standards of conduct,  
6 pursuant to chapter 84.

7 [~~f~~] (j) The State shall afford the local school board of  
8 any charter school the same protections as the State affords the  
9 board."

10 SECTION 4. Section 302B-8, Hawaii Revised Statutes, is  
11 amended by amending subsection (d) to read as follows:

12 "(d) The office shall withhold funds for its operational  
13 expenses, including the salaries of the executive director and  
14 staff, from the annual charter school general fund  
15 appropriation. The total amount of operational expenses  
16 withheld:

17 (1) Shall not exceed [~~two~~] five per cent of the annual  
18 charter school general fund allocation, which shall  
19 not include any funds carried over from previous  
20 years; provided that the office shall submit an annual  
21 report to the legislature with an accounting of its  
22 operational expenses;



1           (2) Shall not include the amount of funds withheld under  
2           subsections (g) and (h); and

3           (3) Shall be determined annually by the panel.

4 The salaries of the executive director and staff shall be set by  
5 the panel based upon the recommendations of charter schools  
6 within the State and in accordance with the requirements of this  
7 subsection."

8           SECTION 5. Statutory material to be repealed is bracketed  
9 and stricken. New statutory material is underscored.

10          SECTION 6. This Act shall take effect on July 1, 2050.



**Report Title:**

Charter Schools; Facilities Funding Formula; Governance; Accountability

**Description:**

Raises the percentage of the annual charter school fund allocation that the charter school administrative office may withhold for operational expenses from two per cent to five per cent; provided that the charter school administrative office report annually to the legislature on the use of these funds. Clarifies the duties and responsibilities of the charter school review panel and local school boards. Effective 7/1/2050.  
(SD2)

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

