

CURRENT CHAPTER 302B	POTENTIAL AMENDMENTS/COMMENTS
<p><b>"302B-1 Definitions.</b> Whenever used in this chapter, unless the context otherwise requires:</p> <p>"Board" means the board of education.</p> <p>"Charter school" refers to those public schools holding charters to operate as charter schools under this chapter, including start-up and conversion charter schools, and that have the flexibility and independent authority to implement alternative frameworks with regard to curriculum, facilities management, instructional approach, virtual education, length of the school day, week, or year, and personnel management.</p> <p>"Charter school review panel" or "panel" means the panel established pursuant to section 302B-3 with the powers and duties to issue and revoke charters, approve detailed implementation plan revisions, and conduct charter school evaluations.</p> <p>"Conversion charter school" means:</p> <ol style="list-style-type: none"> <li>(1) Any existing department school that converts to a charter school and is managed and operated in accordance with section 302B-6;</li> <li>(2) Any existing department school that converts to a charter school and is managed and operated by a nonprofit organization in accordance with section 302B-6; or</li> <li>(3) A newly created school, consisting of programs or sections of existing public school populations that are funded and governed independently and may include part of a separate Hawaiian language immersion program using existing public school facilities.</li> </ol> <p>"Department" means the department of education.</p> <p>"Detailed implementation plan" means the</p>	<p><b>"302B-1 Definitions</b> Whenever used in this chapter, unless the context otherwise requires:</p> <p><u>"Application" means a proposal from an applicant to an authorizer to enter into a charter contract whereby the proposed school obtains public charter school status.</u></p> <p><u>"Authorizer" means an entity authorized under this chapter to review applications, decide whether to approve or reject charter applications, enter into charter contracts with applicants, oversee public charter schools, and decide whether to authorize, reauthorize, or reject charter contracts. The term may include the commission when appropriate.</u></p> <p>"Board" means the board of education.</p> <p><u>"Charter contract" means a fixed-term, renewable contract between a public charter school and an authorizer that outlines the roles, powers, responsibilities, and performance expectations for each party to the contract.</u></p> <p>"Charter school" or <u>"public charter school"</u> refers to those public schools holding charters to operate as charter schools under this chapter, including start-up and conversion charter schools, and that have the flexibility and independent authority to implement alternative frameworks with regard to curriculum, facilities management, instructional approach, virtual education, length of the school day, week, or year, and personnel management.</p> <p><del>["Charter school review panel" or "panel" means the panel established pursuant to section 302B-3 with the powers and duties to issue and revoke charters, approve detailed implementation plan revisions, and conduct charter school evaluations.]</del></p> <p><u>"Commission" means the state public charter school commission established pursuant to 302B-A."</u></p> <p>"Conversion charter school" means:</p> <ol style="list-style-type: none"> <li>(1) Any existing department school that converts to a charter school and is managed and operated in</li> </ol>

document that details the charter school's purpose, focus, operations, organization, finances, and accountability, and becomes the basis for a performance contract between the panel and the charter school.

"Executive director" means the executive director of the charter school administrative office.

"Local school board" means the autonomous governing body of a charter school that:

- (1) Receives the charter and is responsible for the financial and academic viability of the charter school and implementation of the charter;
- (2) Possesses the independent authority to determine the organization and management of the school, the curriculum, virtual education, and compliance with applicable federal and state laws; and
- (3) Has the power to negotiate supplemental collective bargaining agreements with exclusive representatives of their employees.

"Nonprofit organization" means a private, nonprofit, tax-exempt entity that:

- (1) Is recognized as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986, as amended; and
- (2) Is domiciled in this State.

"Office" means the charter school administrative office.

"Organizational viability" means that a charter school:

- (1) Has been duly constituted in accordance with its charter;
- (2) Has a local school board established in accordance with law and the charter school's charter;

accordance with section 302B-6;

- (2) Any existing department school that converts to a charter school and is managed and operated by a nonprofit organization in accordance with section 302B-6; or
- (3) A newly created school, consisting of programs or sections of existing public school populations that are funded and governed independently and may include part of a separate Hawaiian language immersion program using existing public school facilities.

"Department" means the department of education.

~~["Detailed implementation plan" means the document that details the charter school's purpose, focus, operations, organization, finances, and accountability, and becomes the basis for a performance contract between the panel and the charter school.]~~

"Executive director" means the executive director of the charter school [~~administrative~~] liaison and support office.

~~"[Local school] Governing board" means the [autonomous governing body] independent board of a public charter school [that:] that is party to the charter contract with the authorizer that:~~

- (1) [~~Receives the charter and is~~] Is responsible for the financial, organizational, and academic viability of the charter school and implementation of the charter;
- (2) Possesses the independent authority to determine the organization and management of the school, the curriculum, virtual education[-, and compliance with applicable federal and state laws; and]
- (3) Has the power to negotiate supplemental collective bargaining agreements with exclusive representatives of their employees[-]; and
- (4) Ensures compliance with applicable state and

- (3) Employs sufficient faculty and staff to provide the necessary educational program and support services to operate the facility in accordance with its charter;
  - (4) Maintains accurate and comprehensive records regarding students and employees as determined by the office;
  - (5) Meets appropriate standards of student achievement;
  - (6) Cooperates with board, panel, and office requirements in conducting its functions;
  - (7) Complies with applicable federal, state, and county laws and requirements;
  - (8) In accordance with office guidelines and procedures, is financially sound and fiscally responsible in its use of public funds, maintains accurate and comprehensive financial records, operates in accordance with generally accepted accounting practices, and maintains a sound financial plan;
  - (9) Operates within the scope of its charter and fulfills obligations and commitments of its charter;
  - (10) Complies with all health and safety laws and requirements; and
  - (11) Complies with all panel directives, policies, and procedures.
- "Start-up charter school" means a new school established under section 302B-5."

- federal laws.
- "Nonprofit organization" means a private, nonprofit, tax-exempt entity that:
- (1) Is recognized as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986, as amended; and
  - (2) Is domiciled in this State.
- "Office" means the charter school [~~administrative~~] liaison and support office.
- "Organizational viability" means that a charter school:
- (1) Has been duly constituted in accordance with its charter;
  - (2) Has a local school board established in accordance with law and the charter school's charter;
  - (3) Employs sufficient faculty and staff to provide the necessary educational program and support services to operate the facility in accordance with its charter;
  - (4) Maintains accurate and comprehensive records regarding students and employees as determined by the office;
  - (5) Meets appropriate standards of student achievement;
  - (6) Cooperates with board, panel, and office requirements in conducting its functions;
  - (7) Complies with applicable federal, state, and county laws and requirements;
  - (8) In accordance with office guidelines and procedures, is financially sound and fiscally responsible in its use of public funds, maintains accurate and comprehensive financial records, operates in accordance with generally accepted accounting practices, and maintains a sound financial plan;
  - (9) Operates within the scope of its and

	<p>commitments of its charter;</p> <p>(10) Complies with all health and safety laws and requirements; and</p> <p>(11) Complies with all panel directives, policies, and procedures.</p> <p>"Start-up charter school" means a new school established under section 302B-5."</p>
<p><b>"302B-2 Existing charter schools.</b> Any charter school holding a charter to operate under part IV, subpart D, of chapter 302A, as that subpart existed before July 11, 2006 shall be considered a charter school for the purposes of this chapter."</p>	<p><b>"302B-2 Existing charter schools.</b> (a) Any charter school holding a charter to operate under part IV, subpart D, of chapter 302A, as that subpart existed before July 11, 2006 shall be considered a charter school for the purposes of this chapter.</p> <p><u>(b) Any charter school holding a charter to operate under this chapter as it existed before July 1, 2012, shall be considered a charter school for the purposes of this chapter."</u></p>
<p><b>"302B-3 Charter school review panel; establishment; powers. and duties</b> (a) There is established the charter school review panel, that shall be placed within the department for administrative purposes only. The panel shall be accountable to the charter schools and the board. Notwithstanding section 302B-9 and any other law to the contrary, the panel shall be subject to chapter 92.</p> <p>(b) The panel shall consist of twelve members, and shall include:</p> <p>(1) Two licensed teachers regularly engaged in teaching; provided that one teacher is employed at a start-up charter school, and one teacher is employed at a conversion charter school;</p> <p>(2) Two educational officers; provided that one educational officer is employed at a start-up charter school, and one</p>	<p><u>Comment:</u></p> <p><i>This section will be repealed and replaced with a new section which lays out the establishment, powers, and duties of the State Public Charter School Commission pursuant to the Model Law and the Task Force's recommendations relating to the composition and appointment process of the Commission. In addition, the more specific duties and responsibilities of the Commission as Authorizer will be part of the HRS through the adoption of Sections 5 and 7 of the Model Law (see below).</i></p> <p><u>Potential language from Model Law Section (5)(2) and Working Group:</u></p> <p><b><u>"§302B-A State public charter school commission; establishment; appointment.</u> (a) There is established the state public charter school commission with statewide chartering jurisdiction and authority. The commission</b></p>

educational officer is employed at a conversion charter school;

- (3) One member or former member of a charter school local school board;
- (4) The chair of the board of education or the chair's designee;
- (5) A representative of Hawaiian culture-focused charter schools;
- (6) Two representatives of the University of Hawaii who are not affiliated with charter schools;
- (7) One member with a background in business or accounting who is not affiliated with charter schools;
- (8) One member with a background in the building trades or real estate who is not affiliated with charter schools; and
- (9) A representative from the Hawaii Association of Independent Schools;

provided that the initial appointments for representatives in paragraphs (7) to (9) shall be made by September 1, 2007. From June 1, 2007, until such time that the panel has twelve members, five members of the panel shall constitute a quorum to conduct business and a concurrence of at least five members shall be necessary to make any action of the panel valid; provided that, upon filling the twelve seats as required under this subsection, a majority of the panel shall constitute a quorum to conduct business, and the concurrence of a majority of all the members to which the panel is entitled shall be necessary to make any action of the panel valid.

(c) The board shall appoint the remaining members of the panel other than the chair of the board.

(d) Appointed panel members shall serve not more than three consecutive three-year terms, with

shall be placed within the department of education for administrative purposes only. Notwithstanding section 302B-9 and any law to the contrary, the commission shall be subject to chapter 92.

(b) The mission of the commission shall be to authorize high-quality charter public charter schools throughout the State.

(c) The commission shall consist of nine members to be appointed by the board of education. The board shall appoint members who will be tasked with authorizing public charter schools that serve the unique and diverse needs of public school students. The board shall consider the combination of abilities, breadth of experiences, and characteristics of the commission, including but not limited to reflecting the diversity of the student population, geographical representation, and a broad representation of education-related stakeholders.

(d) Understanding that the role of the commission is to ensure a long-term strategic vision for Hawaii's public charter schools, each nominee to the commission shall meet the following minimum qualifications:

- (1) Record of integrity, civic virtue, and high ethical standards. Each nominee shall demonstrate integrity, civic virtue, and high ethical standards and be willing to hold fellow commission members to the same;
- (2) Availability for constructive engagement. Each nominee shall commit to being a conscientious and attentive commission member;
- (3) Knowledge of best practices. Each nominee shall have an understanding of best practices in charter school educational governance or shall be willing to be trained in such; and
- (4) Commitment to education. Each nominee's record should demonstrate a deep and abiding interest in education, and a dedication to the social,

each term beginning on July 1; provided that the initial terms of the appointed members that commence after June 30, 2006, shall be staggered as follows:

- (1) Four members to serve three-year terms;
- (2) Four members to serve two-year terms; and
- (3) Three members to serve a one-year term.

(e) Notwithstanding the terms of members, the board may add panel members at any time and replace panel members at any time when their positions become vacant through resignation, through non-participation, upon request of a majority of panel members, or upon termination by the board for cause.

(f) Panel members shall receive no compensation. When panel duties require that a panel member take leave of the panel member's duties as a state employee, the appropriate state department shall allow the panel member to be placed on administrative leave with pay and shall provide substitutes, when necessary, to perform that panel member's duties. Panel members shall be reimbursed for necessary travel expenses incurred in the conduct of official panel business.

(g) The panel shall establish operating procedures that shall include conflict of interest provisions for any member whose school of employment or local school board membership is before the panel.

(h) The chair of the panel shall be designated by the members of the panel for each school year beginning July 1 and whenever there is a vacancy. If the panel does not designate its chair for the next school year by July 1, the board shall designate the panel chair. When the panel chair is vacant, the board shall designate an interim chair to serve until the panel designates its chair.

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

- (1) Appoint and evaluate the executive

academic, and character development of young people through the administration of a high performing charter school system.

(e) Each nominee to the commission shall ideally meet the following recommended qualifications:

- (1) Experience governing complex organizations. Each nominee should possess experience with complex organizations, including but not limited to performance contract management, and a proven ability to function productively within them; and
- (2) Collaborative leadership ability. Each nominee should have substantial leadership experience that ideally illustrates the nominee's ability to function among diverse colleagues as an effective team member, with the ability to articulate, understand, and help shape consensus surrounding board policies.

(f) Five members of the commission shall constitute a quorum to conduct business and a concurrence of at least five members shall be necessary to make any action of the commission valid.

(g) Commission members shall serve not more than three consecutive three-year terms, with each term beginning on July 1; provided that the initial terms that commence after June 30, 2012 shall be staggered as follows:

- (1) Three members to serve three-year terms;
- (2) Three members to serve two-year terms;
- (3) Three members to serve one-year terms.

(h) Commission members shall receive no compensation. When commission duties require that a commission member take leave of the members duties as a state employee, the appropriate state department shall allow the commission member to be placed on administrative leave with pay and shall provide substitutes, when necessary, to provide that member's duties. Members shall

director and approve staff and salary levels for the charter school administrative office;

- (2) 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 board for a final decision pursuant to section 302B-3.5;
- (3) 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. Charter schools that are denied a significant amendment to their detailed implementation plan may appeal to the board for a final decision pursuant to section 302B-3.5;
- (4) Pursuant to section 302B-3.6, compile and submit prioritized lists of charter schools to the department and enter into necessary agreements with the department to authorize charter schools to use and occupy vacant public school facilities or portions of school facilities;
- (5) Adopt reporting requirements for charter schools;
- (6) Review annual self-evaluation reports from charter schools and take appropriate action;
- (7) Adopt a clear process and rigorous organizational and educational criteria, including student achievement as a significant factor, for the authorization and reauthorization of school charters;

be reimbursed for necessary travel expenses incurred in the conduct of official commission business.

(i) The commission shall establish operating procedures that shall include conflict of interest procedures for any member whose school of employment or governing board is before the commission.

(j) The commission shall operate with dedicated resources and staff qualified to execute the day-to-day responsibilities of the commission pursuant to this chapter."

Session law language:

"Notwithstanding any law to the contrary, the members of the charter school review panel serving on the day of the effective date of this Act shall serve on the state public charter school commission until the appointment of no fewer than five members to the state public charter school commission pursuant to this Act, at which time all members of the charter school review panel shall be discharged from and the members of the state public charter school commission shall begin their service; provided that any vacancy in charter school review panel occurring between the effective date of this Act and the discharge from office of all charter school review panel members shall remain vacant until appointed to the state public charter school commission by the board of education pursuant to this Act."

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| <p>(8) Evaluate each school charter, for the purpose of determining reauthorization, no later than four years following the initial issue of a charter and every six years thereafter; provided that charter schools that are denied reauthorization may appeal to the board for a final decision pursuant to section 302B-3.5;</p> <p>(9) Evaluate any aspect of a charter school that the panel may have concerns with and take appropriate action, which may include special monitoring, temporary withholding of an allocation for noncompliance issues, probation, or charter revocation; provided that charter schools that have their charter revoked may appeal to the board for a final decision pursuant to section 302B-3.5;</p> <p>(10) Periodically adopt improvements in the panel's monitoring and oversight of charter schools;</p> <p>(11) Periodically adopt improvements in the office's support of charter schools and management of the charter school system;</p> <p>(12) Review, modify, and approve charter schools' all means of finance budget, based upon criteria and an approval process established by the panel;</p> <p>(13) Survey all charter school facilities prior to, and in preparation for, determining recommendations to allocate non-per-pupil facilities funds to charter schools with facilities needs. The survey shall include, at minimum, for each charter school facility:</p> <ul style="list-style-type: none"><li>(A) The current status of the facility;</li><li>(B) Facilities costs, including all</li></ul> |  |
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<p>rents, leases, purchases, and repair and maintenance for lands and buildings;</p> <p>(C) A prioritized list of facilities needs;</p> <p>(D) Any capital improvement projects underway or scheduled; and</p> <p>(E) Whether the facility is a conversion or start-up charter school, and current and projected enrollment;</p> <p>(14) Evaluate and investigate charter schools when concerns arise that necessitate the resolution or assistance with the resolution of legal, fiscal, health, safety, and other serious issues; and</p> <p>(15) Ensure that local school boards are fulfilling their oversight responsibilities pursuant to section 302B-7.</p> <p>(j) In the case that the panel decides not to issue a new charter, or to approve significant amendments to detailed implementation plans, the board may adopt rules for an appeals process pursuant to section 302B-3.5.</p> <p>(k) The office shall provide for the staff support and expenses of the panel."</p>	
<p><b>"302B-3.5 Appeals; charter school applications, revocations, or detailed implementation plan amendments.</b> The board shall have the power to decide appeals from decisions of the panel to deny the approval of a charter school application, deny reauthorization of a charter school, revoke a charter school's charter, or deny the approval of an amendment to a charter school's detailed implementation plan. An appeal shall be filed with the board within twenty-one calendar days of the receipt of the notification of denial or revocation.</p>	<p><b>"302B-3.5 Appeals; charter school applications, revocations, or [<del>detailed implementation plan amendments.</del>] charter contract.</b> The board shall have the power to decide appeals from decisions of the [<del>panel</del>] <u>commission or authorizer</u> to deny the approval of a charter school application, deny reauthorization of a charter school, revoke a charter school's charter, or deny the approval of an amendment to a charter school's [<del>detailed implementation plan.</del>] <u>charter contract.</u> An appeal shall be filed with the board within twenty-one calendar days of the receipt of the notification of denial or revocation.</p>

Only a party whose charter school application has been denied, whose reauthorization has been denied, whose charter has been revoked, or whose amendment to a detailed implementation plan has been denied may initiate an appeal under this section for cause. The board shall review an appeal and issue a final decision within sixty calendar days of the filing of the appeal. The board may adopt applicable rules and procedures pursuant to chapter 91 for implementing the appeals process."

Only a party whose charter school application has been denied, whose reauthorization has been denied, whose charter has been revoked, or whose amendment to a ~~[detailed implementation plan]~~ charter contract has been denied may initiate an appeal under this section for cause. The board shall review an appeal and issue a final decision within sixty calendar days of the filing of the appeal. The board may adopt applicable rules and procedures pursuant to chapter 91 for implementing the appeals process."

**"302B-3.6 Occupancy and use of facilities of public schools.**

(a) When the department considers whether to close any particular public school, the department shall submit a notice of possible availability of a public school or notice of vacancy of a public school to the charter school review panel pursuant to section 302A-1151.5(b); provided that the department has not elected to use the public school to support education programs.

(b) If a charter school exclusively or jointly occupies or uses buildings or facilities of a public school immediately prior to converting to a charter school, upon conversion that charter school shall be given continued exclusive or joint use of the buildings or facilities; provided that:

- (1) The State may reclaim some or all of the buildings or facilities if it demonstrates a tangible and imperative need for such reclamation;
- (2) The State and the conversion charter school voluntarily enter into an agreement detailing the portion of those buildings or facilities that shall be reclaimed by the State and a timetable for the reclamation. If a timetable cannot be

Comment:

*The Task Force has not discussed this section. If Task Force chooses to keep this section, housekeeping amendments will be made to change "panel" to "commission".*

reached, the State may petition the panel for the reclamation, and the panel may grant the petition only to the extent that is not possible for the conversion charter school and the department to jointly occupy or use the buildings or facilities.

(c) Upon receipt of a notice pursuant to section 302A-1151.5(b), the panel shall solicit applications from charter schools interested in using and occupying all or portions of the facilities of the public school by:

- (1) Promptly notifying all charter schools that the public school is being considered for closure; and
- (2) Affording each charter school an opportunity to submit an application with a written explanation and justification of why the charter school should be considered for possible occupancy and use of the facilities of the public school.

(d) After fully considering each charter school's application and based on the applications received and on other considerations, the panel shall:

- (1) Provide a written response to each charter school's application after each application has been fully considered; and
- (2) Compile a prioritized list of charter schools and submit the list to the department for final determination of which charter school, if any, shall be authorized to use and occupy the public school facilities.

(e) Upon the selection of a charter school to use a vacant school facility or portion of a school facility, the department and the panel shall enter into necessary agreements within ninety days of the

selection to carry out the purposes of this section; provided that any agreement between the panel and the department shall stipulate that a charter school that uses and occupies a public school facility or portion of a public school facility shall be responsible for the full or pro rata share of the repair and maintenance costs for that facility or portion of the facility, as the case may be.

(f) The panel shall adopt policies and procedures necessary to carry out the purposes of this section, including but not limited to:

- (1) Procedures for charter schools to apply in writing to use vacant school facilities;
- (2) Criteria for the panel to use in determining which charter schools to include on the prioritized list to be submitted to the department; and
- (3) Procedures for the panel to notify charter school applicants that are granted or denied the use of vacant school facilities.

(g) For purposes of this section, "public school" means any school that falls within the definition of public schools in section 302A-101, except for charter schools."

**"302B-4 Encouraging the growth of successful charter schools.**

Upon the approval of administrative rules, the panel may authorize up to three new start-up charter schools 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, and one new start-up charter school for each start-up charter school whose charter is revoked or that voluntarily closes. The total number of conversion charter schools authorized

Comment:

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<p>by the panel shall not exceed twenty-five."</p>	
<p><b>"302B-5 Start-up charter schools; establishment.</b> (a) New start-up charter schools may be established pursuant to this section.</p> <p>(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).</p> <p>(c) The start-up charter school application process and schedule shall be determined by the panel, and shall provide for and include the following elements:</p> <ol style="list-style-type: none"> <li>(1) The submission of a letter of intent to operate a start-up charter school;</li> <li>(2) The timely transmittal of the application form and completion guidelines to the interim local school board;</li> <li>(3) The timely submission to the panel of a completed application;</li> <li>(4) The timely review of the application by the panel 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;</li> <li>(5) The timely resubmission of the application;</li> <li>(6) Upon receipt of a completed application, the convening of the panel by the panel chairperson to begin review of the application;</li> <li>(7) The timely notification of the applicant of any revisions the panel requests as</li> </ol>	<p><u>Comment:</u>  <i>This section needs to be amended to take into account the Model Law. In addition, NACSA had recommended that applicants not be allowed to submit amended applications; however the Task Force has not yet made a decision on this issue.</i></p> <p><u>Potential language:</u></p> <p><b>§302B-5 Start-up charter schools; establishment.</b> (a) New start-up charter schools may be established pursuant to this section.</p> <p>(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 <del>[local school]</del> <u>governing</u> board as its governing body, and develop <del>[a detailed implementation plan]</del> <u>an application</u> pursuant to subsection (d).</p> <p>(c) The start-up charter school application process and schedule shall be determined by the <del>[panel]</del> <u>commission</u> and shall provide for and include the following elements:</p> <ol style="list-style-type: none"> <li>(1) The submission of a letter of intent to operate a start-up charter school;</li> <li>(2) The timely transmittal of the application form and completion guidelines to the interim <del>[local school]</del> <u>governing</u> board;</li> <li>(3) The timely submission to the <del>[panel]</del> <u>authorizer</u> of a completed application;</li> <li>(4) The timely review of the application by the <del>[panel]</del> <u>authorizer</u> for completeness, and notification of the interim <del>[local school]</del> <u>governing</u> board if the application is complete or, if the application is insufficient, a written statement of the elements of the</li> </ol>

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 by majority vote; provided that if the panel does not approve the application and issue a charter, provisions requiring the panel 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 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

application that require completion;

(5) The timely resubmission of the application;

(6) Upon receipt of a completed application, the convening of the [panel] commission, if applicable, by the [panel] commission chairperson to begin review of the application;

(7) The timely notification of the applicant of any revisions the [panel] authorizer 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 by majority vote;] authorizer; provided that if the [panel] authorizer does not approve the application and issue a charter, provisions requiring the [panel] authorizer to:

(A) Clearly identify in writing its reasons for not issuing the charter, which may be used as guidelines for an amended [plan;] application; and

(B) Allow the interim [local school] governing board to revise its [plan] application in accordance with the [panel's] authorizer's guidelines, and resubmit an amended [plan] application within ten calendar days;

(9) A provision for a final date on which a decision must be made, upon receipt of an amended [plan;] application; and

(10) A provision that no start-up charter school may begin operation before obtaining [panel] authorizer approval of its [charter.] charter and charter contract.

(d) An application to become a start-up charter school shall [include a detailed implementation plan that meets] meet the requirements of this subsection and section 302B-9. The [plan] application shall include the

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

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~~] governing board members;
- (7) A financial plan based on the most recent

<p>(8) A facilities plan."</p>	<p>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</p> <p>(8) A facilities plan."</p>
<p><b>"302B-6 Conversion charter schools; establishment.</b></p> <p>(a) A conversion charter school may be established pursuant to this section.</p> <p>(b) Any department school, school community council, group of teachers, group of teachers and administrators, or nonprofit organization may submit a letter of intent to the office to convert a department school to a charter school, establish an interim local school board as its governing body, and develop a detailed implementation plan pursuant to subsection (d).</p> <p>(c) The conversion charter school application process and schedule shall be determined by the panel, and shall provide for and include the following elements:</p> <ol style="list-style-type: none"> <li>(1) The submission of a letter of intent to convert to a charter school;</li> <li>(2) The timely transmittal of the application form and completion guidelines to the interim local school board;</li> <li>(3) The timely submission to the panel of a completed application; provided that the application shall include certification and documentation that the application and the proposed detailed implementation plan was approved by a majority of the votes cast by existing administrative, support, teaching personnel, and parents of</li> </ol>	<p><u>Comment:</u></p> <p><i>This section needs to be amended to take into account the Model Law. In addition, NACSA had recommended that applicants not be allowed to submit amended applications; however the Task Force has not yet made a decision on this issue.</i></p> <p><u>Potential language:</u></p> <p><b>"§302B-6 Conversion charter schools; establishment.</b> (a) A conversion charter school may be established pursuant to this section.</p> <p>(b) Any department school, school community council, group of teachers, group of teachers and administrators, or nonprofit organization may submit a letter of intent to the office to convert a department school to a charter school, establish an interim [<del>local school</del>] <u>governing</u> board as its governing body, and develop [<del>a detailed implementation plan</del>] <u>an application</u> pursuant to subsection (d).</p> <p>(c) The conversion charter school application process and schedule shall be determined by the [<del>panel,</del>] <u>commission,</u> and shall provide for and include the following elements:</p> <ol style="list-style-type: none"> <li>(1) The submission of a letter of intent to convert to a charter school;</li> <li>(2) The timely transmittal of the application form</li> </ol>



students at the proposed conversion charter school;

- (4) The timely review of the application by the panel 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;
- (7) The timely notification of the applicant of any revisions the panel may request 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 by majority vote; provided that if the panel does not approve the application and issue a charter, provisions requiring the panel 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

and completion guidelines to the interim [~~local school~~] governing board;

- (3) The timely submission to the [~~panel~~] authorizer of a completed application; provided that the application shall include certification and documentation that the application [~~and the proposed detailed implementation plan~~] was approved by a majority of the votes cast by existing administrative, support, teaching personnel, and parents of students at the proposed conversion charter school;
- (4) The timely review of the application by the [~~panel~~] authorizer for completeness, and notification of the interim [~~local school~~] governing 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~~] commission, if applicable, by the [~~panel~~] commission chairperson to begin review of the application;
- (7) The timely notification of the applicant of any revisions the [~~panel~~] authorizer may request 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 by majority vote;~~] authorizer; provided that if the [~~panel~~] authorizer does not approve the application and issue a charter, provisions requiring the [~~panel~~] authorizer to:
  - (A) Clearly identify in writing its reasons for not issuing the charter, which may be used as guidelines for an amended [~~plan;~~] application; and

amended plan; and

(10) A provision that no conversion charter school may begin operation before obtaining panel approval of its charter.

(d) An application to become a conversion 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

(B) Allow the interim [~~local school~~] governing board to revise its [~~plan~~] application in accordance with the [~~panel's~~] authorizer's guidelines, and resubmit an amended [~~plan~~] application within ten calendar days;

(9) A provision for a final date on which a decision must be made upon receipt of an amended [~~plan~~] application; and

(10) A provision that no conversion charter school may begin operation before obtaining [~~panel~~] authorizer approval of its [~~charter~~] charter and charter contract.

(d) An application to become a conversion charter school shall [~~include a detailed implementation plan that meets~~] meet the requirements of this subsection and section 302B-9. The [~~plan~~] application 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

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.

(e) A nonprofit organization may submit a letter of intent to the office to convert a department school to a conversion charter school, operate and manage the school, establish a local school board as its governing body, and develop a detailed implementation plan pursuant to subsection (d); provided that:

(1) As the governing body of the conversion charter school, the local school board shall be composed of the board of directors of the nonprofit organization and not representatives of the participant groups specified in section 302B-7. The nonprofit organization may also appoint advisory groups of community representatives for each school managed by the nonprofit organization; provided that these groups shall not have governing authority over the school and shall serve

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~~] governing 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.

(e) A nonprofit organization may submit a letter of intent to the office to convert a department school to a conversion charter school, operate and manage the school, establish a [~~local school~~] governing board as its governing body, and develop [~~a detailed implementation plan~~] an application pursuant to subsection (d); provided that:

(1) As the governing body of the conversion charter school, the [~~local school~~] governing board shall be composed of the board of directors of the nonprofit organization and not representatives of the participant groups

only in an advisory capacity to the nonprofit organization;

- (2) The detailed implementation plan for each conversion charter school to be operated by the nonprofit organization shall be formulated, developed, and submitted by the nonprofit organization, and shall be approved by a majority of the votes cast by existing administrative, support, and teaching personnel, and parents of the students of the proposed conversion charter school;
- (3) The board of directors of the nonprofit organization, as the governing body for the conversion charter school that it operates and manages, shall have the same protections that are afforded to the board in its role as the conversion charter school governing body;
- (4) Any conversion charter school that is managed and operated by a nonprofit organization shall be eligible for the same federal and state funding as other public schools; provided that the nonprofit organization makes a minimum annual contribution of \$1 per pupil toward the operation of a conversion charter school for every \$4 per pupil allocated by the office for the operation of the conversion charter school; provided that in no event shall the nonprofit organization be required to contribute more than the total required contribution per pupil per year. As used in this section, "total required contribution" means:
  - (A) \$1,500 for school years 2006-2007

specified in section 302B-7. The nonprofit organization may also appoint advisory groups of community representatives for each school managed by the nonprofit organization; provided that these groups shall not have governing authority over the school and shall serve only in an advisory capacity to the nonprofit organization;

- (2) The [~~detailed implementation plan~~] application for each conversion charter school to be operated by the nonprofit organization shall be formulated, developed, and submitted by the nonprofit organization, and shall be approved by a majority of the votes cast by existing administrative, support, and teaching personnel, and parents of the students of the proposed conversion charter school;
- (3) The board of directors of the nonprofit organization, as the governing body for the conversion charter school that it operates and manages, shall have the same protections that are afforded to the board in its role as the conversion charter school governing body;
- (4) Any conversion charter school that is managed and operated by a nonprofit organization shall be eligible for the same federal and state funding as other public schools; provided that the nonprofit organization makes a minimum annual contribution of \$1 per pupil toward the operation of a conversion charter school for every \$4 per pupil allocated by the office for the operation of the conversion charter school; provided that in no event shall the nonprofit organization be required to contribute more than the total required contribution per pupil per year. As used in this section, "total required contribution" means:

through 2010-2011;

(B) \$1,650 for school years 2011-2012 through 2015-2016; and

(C) \$1,815 for school years 2016-2017 through 2020-2021; and

(5) If, at any time, the board of directors of the nonprofit organization governing the conversion charter school votes to discontinue its relationship with the charter school, the charter school may submit an application with a revised detailed implementation plan to the panel to continue as a conversion school without the participation of the nonprofit organization.

(f) Any nonprofit organization that seeks to manage or operate a conversion charter school as provided in subsection (e) shall comply with the following at the time of application:

(1) Have bylaws or policies that describe the manner in which business is conducted and policies that relate to the management of potential conflict of interest situations;

(2) Have experience in the management and operation of public or private schools or, to the extent necessary, agree to obtain appropriate services from another entity or entities possessing such experience;

(3) Comply with all applicable federal, state, and county laws, including licensure or accreditation, as applicable; and

(4) Comply with any other requirements prescribed by the department to ensure adherence with applicable federal, state, and county laws, and the purposes of this chapter.

(g) Any public school or schools, programs, or

(A) \$1,500 for school years 2006-2007 through 2010-2011;

(B) \$1,650 for school years 2011-2012 through 2015-2016; and

(C) \$1,815 for school years 2016-2017 through 2020-2021; and

(5) If, at any time, the board of directors of the nonprofit organization governing the conversion charter school votes to discontinue its relationship with the charter school, the charter school may submit ~~[an]~~ a revised application ~~[with a revised implementation plan]~~ to the ~~[panel]~~ authorizer to continue as a conversion school without the participation of the nonprofit organization.

(f) Any nonprofit organization that seeks to manage or operate a conversion charter school as provided in subsection (e) shall comply with the following at the time of application:

(1) Have bylaws or policies that describe the manner in which business is conducted and policies that relate to the management of potential conflict of interest situations;

(2) Have experience in the management and operation of public or private schools or, to the extent necessary, agree to obtain appropriate services from another entity or entities possessing such experience;

(3) Comply with all applicable federal, state, and county laws, including licensure or accreditation, as applicable; and

(4) Comply with any other requirements prescribed by the department to ensure adherence with applicable federal, state, and county laws, and the purposes of this chapter.

(g) Any public school or schools, programs, or sections of existing public school populations that are

sections of existing public school populations that are part of a separate Hawaiian language immersion program using existing public school facilities may submit a letter of intent to the office to form a conversion charter school pursuant to this section.

(h) In the event of a conflict between the provisions in this section and other provisions in this chapter, this section shall control."

part of a separate Hawaiian language immersion program using existing public school facilities may submit a letter of intent to the office to form a conversion charter school pursuant to this section.

(h) In the event of a conflict between the provisions in this section and other provisions in this chapter, this section shall control."

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

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

- (1) Principals;
- (2) Instructional staff members selected by the school instructional staff;
- (3) Support staff selected by the support staff of the school;
- (4) Parents of students attending the school selected by the parents of the school;
- (5) Student body representatives selected by the students of the school; and
- (6) The community at large.

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

(c) The local school board shall be the autonomous governing body of its charter school and shall have oversight over and be responsible for the financial and academic viability of the charter school, implementation of the charter, and the independent authority to determine the organization

Comments:

*Subsection (a) may be amended based on NACSA's recommendations relating to the composition of LSBs. Subsection (c) may also be revised if the TF chooses to redefine the LSB's power and duties, roles and responsibilities. References to "local school boards" will be changed to "governing boards".*

and management of the school, the curriculum, virtual education, and compliance with applicable federal and state laws. The local school board shall have the power to negotiate supplemental collective bargaining agreements with the exclusive representatives of their employees.

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

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

- (1) Make available the notices and agendas of public meetings:
  - (A) At a publicly accessible area in the local school board's office or the charter school administrative office so as to be available for review during regular business hours; and
  - (B) On the local school board's or charter school's internet website and the charter school administrative office's internet website not less than six calendar days prior to the public meeting, unless a waiver is granted by the executive director in the case of an emergency; and
- (2) Make available the minutes from public meetings on a timely basis and maintain a

list of the current names and contact information of the local school board's members and officers:

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

(B) On the local school board's or charter school's internet website and the charter school administrative office's internet website.

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

(g) The State shall afford the local school board of any charter school the same protections as the State affords the board."

**"302B-8 Charter school administrative office.** (a) There is established a charter school administrative office, which shall be attached to the department for administrative purposes only. The office shall be administered by an executive director, who shall be appointed without regard to chapters 76 and 89 by the panel based upon the recommendations of an organization of charter schools operating within the State or from a list of nominees submitted by the charter schools. The panel shall hire the executive director, who may be contracted for a term of up to four years; shall offer the executive director a written contract; and may terminate the executive director's contract only for cause. The executive director, with the approval of the panel, may hire necessary staff without regard to chapters 76 and 89 to assist in the administration of the office.

Comment:

*This section will be repealed. A new section establishing the Charter School Liaison and Support Office will replace this section. The Task Force needs to decide what language it wishes to keep from the current 302B-8. In addition, the Task Force needs to determine specific consultation language it wishes to include as it relates to the appointment of the Executive Director of the CSLSO.*

Potential language based on Working Group:

**"§302B-B Charter school liaison and support office; establishment; powers and duties.** (a) There is established the charter school liaison and support office, which shall be attached to the department of education and placed in the office of the superintendent. The office shall be responsible for the overall administration of



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

- (1) Preparing and executing the budget and the capital improvement projects request for the charter schools, including submission of the all means of finance budget request that reflects all anticipated expenditures to the panel, the board, the governor, and the legislature; provided that, in preparing the budget request with regard to needs-based facilities funding, the executive director shall ensure that, as a budget item separate from other operating costs, the request is accompanied by a detailed explanation of the formula used and a funding request breakdown by school;
- (2) Allocating annual appropriations to the charter schools and distribution of federal funds to charter schools;
- (3) Complying with applicable state laws related to the administration of the charter schools;
- (4) Preparing contracts between the charter schools and the department for centralized services to be provided by the department;
- (5) Preparing contracts between the charter schools and other state agencies for financial or personnel services to be provided by the agencies to the charter schools;
- (6) Providing independent analysis and recommendations on charter school issues;
- (7) Representing charter schools and the charter school system in communications

charter school educational policy and development of standards for compliance with state and federal laws as they are applicable to public charter schools.

(b) The office shall be administered by an executive director, who shall be appointed, without regard to chapters 76 and 89, by the superintendent in consultation with the charter schools, and approved by the board.

(c) The director shall serve as the liaison within the department for the purpose of coordinating public charter school involvement and required participation in any department applications and proposals for federal grant funds.

(d) The office shall:

- (1) Provide technical assistance to public charter schools and governing boards in regard to compliance with applicable state and federal laws;
- (2) Serve as the point of contact between the superintendent and the authorizer relating to compliance with all applicable federal fund requirements, including the collection of required data and reports;
- (3) Be responsible for communicating and consulting with public charter schools and governing boards on any department applications, proposals, and requirements for federal grant funds;
- (4) Serve as the point of contact for all questions or inquiries relating to the distribution of federal funds to public charter schools; and
- (5) Serve as an ombudsman for public charter schools as it relates to issues and concerns with the department.

(e) The office shall be responsible for transferring applicable federal funds from the department directly to the charter schools."

with the board, the governor, and the legislature;

- (8) Providing advocacy, assistance, and support for the development, growth, progress, and success of charter schools and the charter school system;
- (9) Providing guidance and assistance to charter applicants and charter schools to enhance the completeness and accuracy of information for panel review;
- (10) Assisting charter applicants and charter schools in coordinating their interactions with the panel as needed;
- (11) Assisting the panel to coordinate with charter schools in panel investigations and evaluations of charter schools;
- (12) Serving as the conduit to disseminate communications from the panel, the board, and the department to all charter schools;
- (13) Determining charter school system needs and communicating those needs to the panel, the board, and the department;
- (14) Establishing a dispute resolution and mediation process; and
- (15) Upon request by one or more charter schools, assisting in the negotiation of a collective bargaining agreement with the exclusive representative of its employees.

(c) The executive director shall be evaluated annually by the panel. The annual evaluation shall be conducted sufficiently in advance of the end of a term to provide the executive director the opportunity to respond to concerns and improve performance.

(d) The office shall withhold funds for its operational expenses, including the salaries of the executive director and staff, from the annual charter

school general fund appropriation. The total amount of operational expenses withheld:

- (1) Shall not exceed two per cent of the annual charter school general fund allocation, which shall not include any funds carried over from previous years;
- (2) Shall not include the amount of funds withheld under subsections (g) and (h); and
- (3) Shall be determined annually by the panel.

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

(e) The office shall report annually to the review panel individual and aggregate expenditures of charter schools, clearly distinguishing between expenditures for operational purposes and for instructional purposes. The office shall adopt rules to develop a standardized method for charter schools to report the expenditures and to determine expenditures that constitute expenditures for operational expenses and expenditures for instructional purposes. If any charter school fails to meet the reporting requirements under this subsection, the office may retain a portion of that charter school's per-pupil allocation pursuant to section 302B-12(e)(3).

(f) The office shall include in its annual budget request additional funds to cover the estimated costs of:

- (1) Vacation and sick leave accrued by employees transferring to a charter school from another state agency or department;
- (2) Substitute teachers needed when a teacher is out on vacation or sick leave;

<p>(3) Adjustments to enrollments; and</p> <p>(4) Arbitration in the grievance process.</p> <p>(g) The office shall withhold funds for charter school enrollments that are inconsistent with approved detailed implementation plans.</p> <p>(h) The office shall withhold funds to repay overpayments or over-allocations received by charter schools when not repaid in a timely manner in accordance with rules adopted by the board.</p> <p>(i) The office may carry over funds from previous year allocations. Funds distributed to charter schools shall be considered expended."</p>	
<p><b>"302B-9 Exemptions from state laws.</b> (a) Charter schools shall be exempt from chapters 91 and 92 and all other state laws in conflict with this chapter, except those regarding:</p> <p>(1) Collective bargaining under chapter 89; provided that:</p> <p>(A) The exclusive representatives as defined in chapter 89 and the local school board of the charter school may enter into supplemental agreements that contain cost and noncost items to facilitate decentralized decision-making;</p> <p>(B) The agreements shall be funded from the current allocation or other sources of revenue received by the charter school; provided that collective bargaining increases for employees shall be allocated by the department of budget and finance to the charter school administrative office for distribution to charter schools; and</p> <p>(C) These supplemental agreements may differ from the master contracts</p>	<p><u>Comment:</u>  <i>The Task Force needs to decide if it wishes to amend this section. Housekeeping amendments will be made to change references to the "charter school administrative office" to the "charter school liaison and support office" where applicable.</i></p>

<p>negotiated with the department;</p> <p>(2) Discriminatory practices under section 378-2; and</p> <p>(3) Health and safety requirements.</p> <p>(b) Charter schools and the office shall be exempt from chapter 103D, but shall develop internal policies and procedures for the procurement of goods, services, and construction, consistent with the goals of public accountability and public procurement practices. Charter schools and the office are encouraged to use the provisions of chapter 103D where possible; provided that the use of one or more provisions of chapter 103D shall not constitute a waiver of the exemption from chapter 103D and shall not subject the charter school or the office to any other provision of chapter 103D. Charter schools and the office shall account for funds expended for the procurement of goods and services, and this accounting shall be available to the public.</p> <p>(c) Any charter school, prior to the beginning of the school year, may enter into an annual contract with any department for centralized services to be provided by that department.</p> <p>(d) Notwithstanding any law to the contrary, as public schools and entities of the State, neither a charter school nor the office may bring suit against any other entity or agency of the State."</p>	
<p><b>"302B-10 Civil service status; employee rights.</b> (a) Civil service employees of department schools shall retain their civil service status upon the conversion of their school to a conversion charter school. Positions in a conversion charter school that would be civil service in a department public school shall be civil service positions and subject to chapter 76. An employee with civil service status at a conversion charter school who transfers, is promoted, or takes a voluntary demotion to another civil service position</p>	

shall be entitled to all of the rights, privileges, and benefits of continuous, uninterrupted civil service. Civil service employees of a conversion charter school shall have civil service status in the department's civil service system and shall be entitled to all rights, privileges, and benefits as other civil service employees employed by the department. Exempt employees as provided in section 76-16(b)(11)(B) of a conversion charter school shall have support services personnel status in the department's support services personnel system and shall be entitled to all rights, privileges, and benefits as other exempt employees employed by the department in their support services personnel system.

(b) The State shall afford administrative, support, and instructional employees in charter schools full participation in the State's systems for retirement, workers' compensation, unemployment insurance, temporary disability insurance, and health benefits in accordance with the qualification requirements for each.

(c) The department, to the extent possible, shall provide its position listings to the office and any interested local school board of any charter school.

(d) The department, in conjunction with the office, shall facilitate and encourage the movement of instructional personnel between the department and charter schools; provided that:

- (1) Comparable and verifiable professional development and employee evaluation standards and practices, as determined and certified by the office, are in place in charter schools for instructional staff;
- (2) Licensed charter school teachers, as determined by the Hawaii teacher standards

<p>board, who are not yet tenured in the department and are entering or returning to the department after full-time employment of no less than one full school year at a charter school, shall be subject to no more than one year of probationary status; and</p> <p>(3) Tenured department licensed teachers, as determined by the department, who transfer to charter schools shall not be required to serve a probationary period."</p>	
<p><b>302B-11 Administration of workers' compensation.</b> The department of human resources development shall administer workers' compensation claims for employees of charter schools, who shall be covered by the same self-insured workers' compensation system as other public employees. The department of human resources development shall process, investigate, and make payments on claims; provided that:</p> <p>(1) Charter schools shall compile the preliminary claim form and forward it to the department of human resources development; and</p> <p>(2) The department of human resources development shall receive no more than 0.07 per cent of the EDN 600 appropriation to process these workers' compensation claims."</p>	
<p><b>302B-12 Funding and finance.</b> (a) Beginning with fiscal year 2010-2011, and each fiscal year thereafter, the non-facility general fund per-pupil funding request for charter school students shall be the same as the general fund per-pupil amount to the department in the most recently approved executive budget recommendation for the department, as set forth in paragraph (2); provided that:</p> <p>(1) The general fund per-pupil funding request</p>	

shall be based upon reasonable projected enrollment figures for all charter schools; and

(2) The general fund per-pupil request for each regular education and special education student shall:

(A) Include all general fund regular education cost categories, including comprehensive school support services, but excluding special education services, adult education, and the after-school plus program; provided that these services are provided and funded by the department; and

(B) Exclude fringe benefit costs and debt service.

(b) Fringe benefit costs for charter school employees, regardless of the payroll system utilized by a charter school, shall be included in the department of budget and finance's annual budget request. No fringe benefit costs shall be charged directly to or deducted from the charter school per-pupil allocations.

The legislature shall make an appropriation based upon the budget request; provided that the legislature may make additional appropriations for facility and other costs.

The governor, pursuant to chapter 37, may impose restrictions or reductions on charter school appropriations similar to those imposed on other public schools.

(c) Charter schools shall be eligible for all federal financial support to the same extent as all other public schools. The department shall provide the office with all state-level federal grant proposals submitted by the department that include



charter schools as potential recipients and timely reports on state-level federal grants received for which charter schools may apply or are entitled to receive. Federal funds received by the department for charter schools shall be transferred to the office for distribution to charter schools in accordance with the federal requirements. If administrative services related to federal grants and subsidies are provided to the charter school by the department, the charter school shall reimburse the department for the actual costs of the administrative services in an amount that shall not exceed six and one-half per cent of the charter school's federal grants and subsidies.

Any charter school shall be eligible to receive any supplemental federal grant or award for which any other public school may submit a proposal, or any supplemental federal grants limited to charter schools; provided that if department administrative services, including funds management, budgetary, fiscal accounting, or other related services, are provided with respect to these supplemental grants, the charter school shall reimburse the department for the actual costs of the administrative services in an amount that shall not exceed six and one-half per cent of the supplemental grant for which the services are used.

All additional funds generated by the local school boards, that are not from a supplemental grant, shall be held separate from allotted funds and may be expended at the discretion of the local school boards.

(d) The office shall calculate a general fund per-pupil amount based upon the amount of general funds appropriated by the legislature and released by the governor and the projected enrollment amount used to calculate the general funds appropriated pursuant

to subsection (a); provided that:

- (1) Per-pupil distributions to the charter schools pursuant to subsection (e) shall be based upon the per-pupil amount as calculated by the office pursuant to this subsection. The per-pupil distributions shall be deposited into the charter schools account established by subsection (i); and
- (2) In years when the projected enrollment used to calculate the per-pupil amount pursuant to this subsection exceeds the total actual enrollment as reported by the charter schools as of October 15, the excess funds shall remain in the state treasury in the charter schools account;
  - (A) General funds appropriated pursuant to this section remaining in the charter schools account within the state treasury at the end of each fiscal year and in excess of \$5,000,000 shall lapse to the credit of the state general fund; and
  - (B) General funds remaining in the charter schools account in the state treasury appropriated pursuant to this section that are less than \$5,000,000 shall carry over to subsequent years to be used to provide per-pupil funding in years when the projected enrollment amount is less than the actual per-pupil enrollment reported by the charter schools on October 15 of each year.

The office shall submit a report to the legislature no later than twenty days prior to each regular session that contains each charter school's

current school year projection that is used to submit the budget request, the updated May 15 enrollment projection, the actual October 15 enrollment count, the office's reviewed and verified enrollment count, and the November 15 enrollment count. This report shall also provide an accounting of the use, if any, of state general funds subject to paragraph (2)(B).

(e) To enable charter schools to access state funding prior to the start of each school year, foster their fiscal planning, enhance their accountability, and avoid over-allocating general funds to charter schools based on self-reported enrollment projections, the office shall:

- (1) Provide sixty per cent of a charter school's per-pupil allocation based on the charter school's projected student enrollment no later than July 20 of each fiscal year; provided that the charter school shall have submitted to the office a projected student enrollment no later than May 15 of each year;
- (2) Provide an additional thirty per cent of a charter school's per-pupil allocation no later than December 1 of each year, based on the October 15 student enrollment, as reviewed and verified by the office, only to schools in compliance with the office financial reporting requirements; and
- (3) Retain no more than the balance of the remaining ten per cent of a charter school's per-pupil allocation, as a contingency balance to ensure fiscal accountability and compliance, no later than June 30 of each year;

provided that the panel may make adjustments in allocations based on noncompliance with board policies made in the board's capacity as the state

education agency, department directives made in the department's capacity as the state education agency, the office's administrative procedures, and board-approved accountability requirements.

(f) Any check transferring a per-pupil allocation from the office to a charter school under this section shall be co-signed by the executive director and an authorized agent of the charter school review panel.

(g) The department shall provide appropriate transitional resources to a conversion charter school for its first year of operation as a charter school based upon the department's allocation to the school for the year prior to the conversion.

(h) No start-up charter school or conversion charter school may assess tuition.

(i) There is created in the treasury of the State, as a separate account, the charter schools account, into which shall be deposited per-pupil distributions in accordance with subsection (d)."

**302B-13 Weighted student formula.** (a) Notwithstanding section [302B-12] and beginning September 1, 2006, charter schools shall elect whether to receive allocations according to the department's weighted student formula adopted pursuant to section 302A-1303.6; provided that:

- (1) All charter schools, as a group, with each local school board being accorded one vote, shall elect, by greater than two-thirds agreement among the local school boards, whether to receive allocations through the department's weighted student formula; provided that the nonprofit that governs more than one conversion charter school may cast one vote representing each school it governs;
- (2) Any election by charter schools to receive

Comment:

*Housekeeping amendments will be made to change "local school boards" to "governing boards".*

department allocations, or not to receive allocations, through the department's weighted student formula shall be made by September 1 of each even-numbered year, and the election shall apply to the fiscal biennium beginning July 1 of the following year; provided that the appropriate funds shall be transferred by the department to the charter school administrative office for distribution to the charter schools; and

(3) The election to receive allocations, or not to receive allocations, through the department's weighted student formula shall be communicated to the department through the office.

(b) The charter schools, through the office, may propose to the board an alternative weighted student formula, approved of by more than two-thirds of the local school boards, with each local school board being accorded one vote, to be administered by the office and to apply to the per-pupil allocation for charter schools."

**"302B-14 Accountability; probationary status; revocation**

**of charter.** (a) Every charter school shall conduct annual self-evaluations that shall be submitted to the panel within sixty working days after the completion of the school year, or in accordance with reporting requirements adopted by the panel. The self-evaluation process shall include but not be limited to:

- (1) The identification and adoption of benchmarks to measure and evaluate administrative and instructional programs;
- (2) The identification of any innovations or

Comment:

*The Task Force previously decided to adopt section 7(3) of the Model Law so section 302B-14 will likely be repealed and a new section created to incorporate the Model Law. The Task Force will need to decide if it wants to keep anything from section 302B-14 or otherwise make changes to the Model Law. For example, current law requires the CSRP to adopt rules for probation pursuant to chapter 91. Should language be added to the Model Law to require the Commission, when acting as Authorizer, to follow chapter 91? Does the Task Force want to retain the first right of refusal of the State to the assets and facilities of the charter school?*

research that may assist other public schools;

- (3) The identification of any administrative and legal barriers to meeting the adopted benchmarks, and recommendations for improvements and modifications to address the barriers;
- (4) An evaluation of student achievement within the charter school;
- (5) A profile of the charter school's enrollment and the community it serves, including a breakdown of regular education and special education students; and
- (6) An evaluation of the school's organizational viability.

(b) The panel shall conduct a multi-year evaluation of each charter school on its fourth anniversary year and every six years thereafter. The panel may from time to time establish a schedule to stagger the multi-year evaluations.

(c) The panel may conduct special evaluations of charter schools at any time.

(d) The panel may place a charter school on probationary status; provided that:

- (1) The panel evaluates the charter school or reviews an evaluation of the charter school;
- (2) The panel and the office are involved in substantive discussions with the charter school regarding the areas of deficiencies;
- (3) The notice of probation is delivered to the charter school and specifies the deficiencies requiring correction, the probation period, and monitoring and reporting requirements;
- (4) For deficiencies related to student

Model Law Section 7(3):

**§302B-C Renewals, revocations, and nonrenewals.** (a) A charter contract may be renewed for successive **five-year terms** of duration, although an authorizer may vary the terms based on performance, demonstrated capacities, and particular circumstances of each charter school. An authorizer may grant a renewal of a charter contract with specific conditions for necessary improvements to a charter school.

(b) **No later than** , the authorizer shall issue a charter school performance report and charter contract renewal application guidance to any charter school whose charter contract will expire the following year. The performance report shall summarize the charter school's performance record to date, based on the data required by this chapter and the charter contract, and shall provide notice of any weaknesses or concerns perceived by the authorizer concerning the charter school that may jeopardize its position in seeking renewal if not timely rectified. The charter school shall have days to respond to the performance report and submit any corrections or clarifications for the report.

(c) The renewal application guidance shall, at a minimum, provide an opportunity for the public charter school to:

- (1) Present additional evidence, beyond the data contained in the performance report, supporting its case for charter renewal;
- (2) Describe improvements undertaken or planned for the school; and
- (3) Detail the charter school's plans for the next charter term.

(d) The renewal application guidance shall include or refer explicitly to the criteria that will guide the authorizer's renewal decisions, which shall be based on

performance, a charter school shall be allowed two years to improve student performance;

- (5) For deficiencies related to financial plans, a charter school shall be allowed one year to develop a sound financial plan; and
- (6) For deficiencies related to organizational viability, a charter school may be allowed one year to improve administrative compliance.

The charter school shall remain on probationary status until the panel votes either to remove the charter school from probationary status or revoke its charter.

(e) If a charter school fails to resolve deficiencies by the end of the probation period, the panel may revoke the charter; provided that the vote of two-thirds of all the members to which the panel is entitled shall be required to revoke the charter.

(f) The panel may place a charter school on probationary status or revoke the charter for serious student or employee health or safety deficiencies; provided that:

- (1) The charter school is given notice of specific health or safety deficiencies and is afforded an opportunity to present its case to the panel;
- (2) The panel chair appoints a task group, which may be an investigative task group or the office, to visit the charter school and conduct meetings with its local school board and its school community to gather input;
- (3) Based on its findings, the task group shall recommend to the panel to revoke the charter, place the charter school on

the charter contract and be consistent with this chapter.

(e) No later than , the governing board of a charter school seeking renewal shall submit a renewal application to the authorizer pursuant to the renewal guidance issued by the authorizer. The authorizer shall decide whether or not to renew the charter no later than days after the filing of the renewal application.

(f) In making charter renewal decisions, every authorizer shall:

- (1) Ground its decisions in evidence of the school's performance over the term of the charter contract in accordance with the performance framework set forth in the charter contract;
- (2) Ensure that data used in making the renewal decisions are available to the charter school and the public;
- (3) Provide a public report summarizing the evidence and basis for each decision.

(g) A charter contract may be revoked at any time or not renewed if the authorizer determines that the charter school did any of the following or otherwise failed to comply with the provisions of this chapter:

- (1) Commits a material and substantial violation of any of the terms, conditions, standards, or procedures required under this chapter or the charter contract;
- (2) Fails to meet or make sufficient progress toward performance expectations set forth in the contract;
- (3) Fails to meet generally accepted standards of fiscal management; or
- (4) Substantially violates any material provision of law from which the charter school is not exempted.

(h) An authorizer must develop revocation and non-renewal processes that:

probation, or continue the charter;

- (4) The vote of two-thirds of all the members to which the panel is entitled shall be required to revoke the charter;
- (5) The best interest of the school's students guide all decisions; and
- (6) After a decision to revoke a charter, the charter school shall be allowed to remain open until a plan for an orderly shutdown or transfer of students and assets is developed and executed, or until the school year ends, whichever comes first.

(g) If there is an immediate concern for student or employee health or safety at a charter school, the panel, in consultation with the office, may adopt an interim restructuring plan that may include the appointment of an interim local school board, an interim local school board chairperson, or a principal to temporarily assume operations of the school; provided that if possible without further jeopardizing the health or safety of students and employees, the charter school's stakeholders and community are first given the opportunity to elect a new local school board which shall appoint a new interim principal. The board shall have the authority to direct the panel to take appropriate action to immediately address serious health and safety issues that may exist at a charter school in order to ensure the health and safety of students and employees and mitigate significant liability to the State.

(h) The board shall adopt rules pursuant to chapter 91 for placing charter schools on probation and for revoking a charter.

(i) If, at any time, a charter school dissolves or the charter is revoked, the State shall have first right, at no cost to the State, to all the assets and

- (1) Provide the charter holders with a timely notification of the prospect of revocation or non-renewal and the reasons for such possible closure;
- (2) Allow the charter holders a reasonable amount of time in which to prepare a reasonable amount of time in which to prepare a response;
- (3) Provide the charter holders with an opportunity to submit documents and give testimony challenging the rationale for closure and in support of the continuation of the school at an orderly proceeding held for the purpose;
- (4) Allow charter holders access to representation by counsel and to call witnesses on their behalf;
- (5) Permit the recording of such proceedings; and
- (6) After a reasonable period for deliberation, require a final determination to be made and conveyed in writing to the charter holders.

(i) If an authorizer revokes or does not renew a charter, the authorizer shall clearly state the reasons for the revocation or nonrenewal.

(j) Within days of taking action to renew, not renew, or revoke a charter, the authorizer shall report to the board of education the action taken, and shall provide a copy of the report to the charter school at the same time the report is provided to the board. The report shall set forth the action taken and reasons for the decision and assurances as to compliance with all the requirements set forth in this chapter."



facilities of the charter school, except as otherwise provided by law."

**"302B-15 Responsibilities of department of education; special education services.**

(a) The department shall collaborate with the office to develop a system of technical assistance related to compliance with federal and state laws and access to federal and state funds. The department and the office shall collaborate to develop a list of central services that the department may offer for purchase by a charter school at an annual cost to be negotiated between an individual charter school and the department. The department shall enter into a contract with a charter school to provide these services, which shall be renegotiated on an annual basis.

(b) The department shall be responsible for the provision of a free appropriate public education. Any charter school that enrolls special education students or identifies one of its students as eligible for special education shall be responsible for providing the educational and related services required by a student's individualized education program. The programs and services for the student shall be determined collaboratively by the student's individualized education program team and the student's parents or legal guardians.

If the charter school is unable to provide all of the required services, then services to the student shall be provided by the department according to services determined by the student's individualized educational program team. The department shall collaborate with the office to develop guidelines related to the provision of special education services and resources to each charter school. The department shall review all of

<p>the current individualized education programs of special education students enrolled in a charter school and may offer staff, funding, or both, to the charter school based upon a per-pupil weighted formula implemented by the department and used to allocate resources for special education students in the public schools."</p>	
<p><b>"§302B-16 Sports.</b> The department shall provide students at charter schools with the same opportunity to participate in athletics provided to students at other public schools. If a student at a charter school wishes to participate in a sport for which there is no program at the charter school, the department shall allow that student to participate in a comparable program of any public school in the complex in which the charter school is located."</p>	
	<p><u>Model Law Section 5(1):</u></p> <p><b><u>"§302B-D Eligible authorizing entities.</u></b> (a) <u>The state public charter school commission created under section 302B-A may authorize public charter schools anywhere in the state; provided that the commission fulfills the requirements of all public charter school authorizers under this chapter.</u></p> <p><u>(b) Governing boards of accredited public and private postsecondary institutions, including community college, technical colleges, and four-year universities may apply to the commission, pursuant to section 302B-C, for statewide, regional, or local chartering authority, in accordance with each institution's regular operating jurisdiction.</u></p> <p><u>(c) A county or state agency may apply to the commission , pursuant to section 302B- , for chartering authority;</u></p> <p><u>(d) Governing boards of non-profit or charitable</u></p>

	<p><u>organizations, which are exempt from federal taxes under section 501(c)(3) or 501(c)(6) of the Internal Revenue Code, may apply to the commission , pursuant to section 302B- , and may be granted state wide chartering authority. Nonpublic sectarian or religious organizations and any other charitable organization which in their federal IRS Form 1023, Part IV, describe activities indicating a religious purpose, are not eligible to apply to become an authorizer under this chapter."</u></p>
	<p><u>Model Law Section 5(4):</u></p> <p><b><u>"§302B-E Chartering authority application for eligible entities.</u></b> (a) <u>The board of education shall establish, through administrative rules, the annual application and approval process for all entities eligible to apply for chartering authority pursuant to sections 302B-D(b) through (d). By June 30 of each year, the board of education shall make available information and guidelines for all eligible entities concerning the opportunity to apply for chartering authority under this chapter. The application process shall require each interested eligible entity to submit an application that clearly explains or presents the following elements:</u></p> <ol style="list-style-type: none"> <li><u>(1) Written notification of intent to serve as a charter authorizer in accordance with this chapter;</u></li> <li><u>(2) The applicant entity's strategic vision for chartering;</u></li> <li><u>(3) A plan to support the vision presented, including explanation and evidence of the applicant entity's budget and personnel capacity and commitment to execute the responsibilities of quality charter authorizing, in accordance with this chapter;</u></li> <li><u>(4) A draft or preliminary outline of the request</u></li> </ol>

for proposals that the applicant entity would, if approved as a charter authorizer, issue to solicit public charter school applicants;

- (5) A draft of the performance framework that the applicant entity would, if approved as a charter authorizer, use to guide the establishment of a charter contract and for ongoing oversight and evaluation of public charter schools, consistent with the requirements of this chapter;
- (6) A draft of the applicant entity's renewal, revocation, and non-renewal processes, consistent with section 302B-C;
- (7) A statement of assurance that the applicant entity seeks to serve as a charter authorizer in fulfillment of the expectations, spirit, and intent of this chapter, and that if approved as a charter authorizer, the entity will fully participate in any authorizer training provided or required by the State; and
- (8) A statement of assurance that the applicant will ensure public accountability and transparency in all matters concerning their charter-authorizing practices, decisions, and expenditures.

(b) By June 30 of each year, the board of education shall decide whether to grant or deny chartering authority to each applicant. The board shall make its decisions on the merits of each applicant's proposal and plans.

(c) Within days of the board of education's decision, the board shall execute a renewable authorizing contract with each entity it has approved for chartering authority. The initial term of each authorizing contract shall be six years. The authorizing contract shall specify each approved entity's agreement to serve as a charter authorizer in accordance with the expectations of this chapter, and shall specify additional performance terms

	<p><u>based on the applicant's proposal and plan for chartering. No approved entity shall commence charter authorizing without an authorizing contract in effect."</u></p>
<p>See Section 302B-3(i) above.</p>	<p><u>Model Law Section 5(5):</u></p> <p><b><u>"§302B-F Authorizer powers, duties, and liabilities. (a)</u></b>  <u>Authorizers are responsible for executing, in accordance with this Act, the following essential powers and duties:</u></p> <ul style="list-style-type: none"> <li><u>(1) Soliciting and evaluating charter applications;</u></li> <li><u>(2) Approving quality charter applications that meet identified educational needs and promote a diversity of educational choices;</u></li> <li><u>(3) Declining to approve weak or inadequate charter applications;</u></li> <li><u>(4) Negotiating and executing sound charter contracts with each approved public charter school;</u></li> <li><u>(5) Monitoring, in accordance with charter contract terms, the performance and legal compliance of public charter schools; and</u></li> <li><u>(6) Determining whether each charter contract merits renewal, nonrenewal, or revocation.</u></li> </ul> <p><u>(b) An authorizing entity may delegate its duties to offices, employees, and contractors.</u></p> <p><u>(c) Regulation by authorizers shall be limited to these powers and duties, and consistent with the spirit and intent of this chapter.</u></p> <p><u>(d) An authorizing entity, members of the board of an authorizer in their official capacity, and employees of an authorizer are immune from civil and criminal liability with respect to all activities related to a public charter school they authorize."</u></p>
	<p><u>Model Law Section 5(6):</u></p>

	<p><b><u>"§302B-G Principles and Standards for charter authorizing.</u></b> All authorizers shall be required to develop and maintain chartering policies and practices consistent with nationally recognized principles and standards for quality charter authorizing in all major areas of authorizing responsibility including: organizational capacity and infrastructure; soliciting and evaluating charter applications; performance contracting; ongoing public charter school oversight and evaluation; and charter renewal decision-making. Authorizers shall carry out all their duties under this chapter in a manner consistent with such nationally recognized principles and standards and with the spirit and intent of this chapter. Evidence of material or persistent failure to do so shall constitute grounds for losing charter authorizing powers."</p>
	<p><u>Model Law Section 5(7):</u></p> <p><b><u>"§302B-H Authorizer reporting.</u></b> Every authorizer shall be required to submit to the board of education and the legislature an annual report summarizing:</p> <ol style="list-style-type: none"> <li><u>(1) The authorizer's strategic vision for chartering and progress toward achieving that vision;</u></li> <li><u>(2) The academic and financial performance of all operating public charter schools overseen by the authorizer, according to the performance expectations for public charter schools set forth in this chapter;</u></li> <li><u>(3) The status of the authorizer's public charter school portfolio, identifying all public charter schools in each of the following categories: approved (but not yet open), operating, renewed, transferred, revoked, not renewed, voluntarily closed, or never opened;</u></li> <li><u>(4) The authorizing functions provided by the authorizer to the public charter schools under</u></li> </ol>

	<p>its purview, including the authorizer's operating costs and expenses detailed in <b>annual audited financial statements that conform with generally accepted accounting principles;</b></p> <p>(5) <u>The services purchased from the authorizer by the public charter schools under its purview, including an itemized accounting of the actual costs of these services, as required in section 302B-K."</u></p>
	<p>Model Law section 5(8) Authorizer Funding? This was not fully discussed by the Task Force.</p>
	<p><u>Model Law Section 5(9):</u></p> <p><b>"§302B-I Conflict of interests.</b> <u>No employee, trustee, agent, or representative of an authorizer may simultaneously serve as an employee, trustee, agent, representative, vendor, or contractor of a public charter school authorized by that entity."</u></p>
	<p><u>Model Law Section 5(10):</u></p> <p><b>"§302B-J Exclusivity of authorizing functions and rights.</b> <u>No governmental or other entity, other than those expressly granted chartering authority as set forth in this chapter, may assume any charter authorizing function or duty in any form, unless expressly allowed by law."</u></p>
	<p><u>Model Law Section 5(11):</u></p> <p><b>"§302B-K Services purchased from Authorizer; itemized accounting.</b> (a) <u>No public charter school shall be required to purchase services from its authorizer as a condition of charter approval or of executing a charter contract, nor may any such condition be implied.</u></p> <p>(b) <u>A public charter school may, at its discretion, choose to purchase services from its authorizer. In such</u></p>

event, the public charter school and authorizer shall execute an annual service contract, separate from the charter contract, stating the parties' mutual agreement concerning any services to be provided by the authorizer and any service fees to be charged to the public charter school. An authorizer may not charge more than market rates for services provided to a public charter school.

(c) Within days after the end of each fiscal year, each authorizer shall provide to each public charter school it oversees an itemized accounting of the actual costs of services purchased by the public charter school from the authorizer. Any difference between the amount initially charged to the public charter school and the actual cost shall be reconciled and paid to the owed party. If either party disputes the itemized accounting, any charges included in such accounting, or charges to either party, the disputing party is entitled to request a third-party review at its own expense. The review shall be conducted by board of education whose determination shall be final."

Model Law Section 5(12):

**"§302B-L Oversight of public charter school authorizers.**

(a) The board of education shall be responsible for overseeing the performance and effectiveness of all authorizers established under this chapter.

(b) In accordance with section 302B-H, every authorizer shall be required to submit to the board of education and the legislature an annual report. The board shall, by [INSERT DATE] of each year, communicate to every authorizer the requirements for the format, content, and submission of the annual report.

(c) Persistently unsatisfactory performance of an authorizer's portfolio of public charter schools, a pattern of well-founded complaints about the authorizer or its public charter schools, or other objective



circumstances may trigger a special review by the board of education. In reviewing or evaluating the performance of authorizers the board shall apply nationally recognized principles and standards for quality charter authorizing. If at any time the board finds that an authorizer is not in compliance with an existing charter contract, its authorizing contract with the board, or the requirements of all authorizers under this chapter, the board shall notify the authorizer in writing of the identified problems, and the authorizer shall have reasonable opportunity to respond and remedy the problems.

(d) If an authorizer granted chartering authority persists, after due notice from the board of education, in violating a material provision of a charter contract or its authorizing contract with the board, or fails to remedy other identified authorizing problems, the board shall notify the authorizer, within a reasonable amount of time under the circumstances, that it intends to revoke the authorizer's chartering authority unless the authorizer demonstrates a timely and satisfactory remedy for the violation or deficiencies.

(e) In the event of revocation of any authorizer's chartering authority, the board of education shall manage the timely and orderly transfer of each charter contract held by that authorizer to another authorizer in the state, with the mutual agreement of each affected public charter school and proposed new authorizer. The new authorizer shall assume the existing charter contract for the remainder of the charter term."

Model Law Section 7(1):

**"§302B-M Performance framework.** (a) The performance provisions within the charter contract shall be based on a performance framework that clearly sets forth the academic and operational performance indicators, measures and metrics that will guide the authorizer's evaluations of

each public charter school. The performance framework shall include indicators, measures and metrics for, at a minimum:

- (1) Student academic proficiency;
- (2) Student academic growth;
- (3) Achievement gaps in both proficiency and growth between major student subgroups;
- (4) Attendance;
- (5) Recurrent enrollment from year to year;
- (6) Postsecondary readiness (for high schools);
- (7) Financial performance and sustainability; and
- (8) Performance and stewardship, including compliance with all applicable laws, regulations, and terms of the charter contract.

(b) Annual performance targets shall be set by each public charter school in conjunction with its authorizer, and shall be designed to help each school meet applicable federal, state, and authorizer expectations.

(c) The performance framework shall allow the inclusion of additional rigorous, valid, and reliable indicators proposed by a public charter school to augment external evaluations of its performance, provided that the authorizer approves the quality and rigor of such school-proposed indicators, and they are consistent with the purposes of this chapter.

(d) The performance framework shall require the disaggregation of all student performance data by major student subgroups (gender, race, poverty status, special education status, English Learner status, and gifted status).

(e) For each public charter school it oversees, the authorizer shall be responsible for collecting, analyzing, and reporting all data from state assessments in accordance with the performance framework.

(f) Multiple schools operating under a single charter contract or overseen by a single governing board shall be required to report their performance as separate,

	<p><u>individual schools, and each school shall be held independently accountable for its performance."</u></p>
	<p><u>Model Law Section 7(2):</u></p> <p><b><u>"§302B-N Ongoing oversight and corrective actions. (a)</u></b>  <u>An authorizer shall continually monitor the performance and legal compliance of the public charter schools it oversees, including collecting and analyzing data to support ongoing evaluation according to the charter contract. Every authorizer shall have the authority to conduct or require oversight activities that enable the authorizer to fulfill its responsibilities under this Act, including conducting appropriate inquiries and investigations, so long as those activities are consistent with the intent of this chapter, adhere to the terms of the charter contract, and do not unduly inhibit the autonomy granted to public charter schools.</u></p> <p><u>(b) Each authorizer shall annually publish and provide, as part of its annual report to the board of education and the legislature, a performance report for each public charter school it oversees, in accordance with the performance framework set forth in the charter contract and section of this Act. The authorizer may require each public charter school it oversees to submit an annual report to assist the authorizer in gathering complete information about each school, consistent with the performance framework.</u></p> <p><u>(c) In the event that a public charter school's performance or legal compliance appears unsatisfactory, the authorizer shall promptly notify the public charter school of the perceived problem and provide reasonable opportunity for the school to remedy the problem, unless the problem warrants revocation in which case the revocation timeframes will apply.</u></p> <p><u>(d) Every authorizer shall have the authority to take appropriate corrective actions or exercise sanctions</u></p>

	<p><u>short of revocation in response to apparent deficiencies in public charter school performance or legal compliance. Such actions or sanctions may include, if warranted, requiring a school to develop and execute a corrective action plan within a specified timeframe."</u></p>
	<p><u>Model Law Section 7(4):</u></p> <p><u>"§302B-O School closure and dissolution. (a) Prior to any public charter school closure decision, an authorizer shall have developed a public charter school closure protocol to ensure timely notification to parents, orderly transition of students and student records to new schools, and proper disposition of school funds, property, and assets in accordance with the requirements of this chapter. The protocol shall specify tasks, timelines, and responsible parties, including delineating the respective duties of the school and the authorizer. In the event of a public charter school closure for any reason, the authorizer shall oversee and work with the closing school to ensure a smooth and orderly closure and transition for students and parents, as guided by the closure protocol.</u></p> <p><u>(b) In the event of a public charter school closure for any reason, the assets of the school, excluding facilities, shall be distributed first to satisfy outstanding payroll obligations for employees of the school, then to creditors of the school, and then to the state treasury to the credit of the general fund. If the assets of the school are insufficient to pay all parties to whom the school owes compensation, the prioritization of the distribution of assets may be determined by decree of a court of law.</u></p> <p><u>(c) In the event of a public charter school closure for any reason, other public charter schools shall have the right of first refusal for the closed public charter school's facilities. If no other public charter school exercises the right of first refusal, the facilities shall</u></p>

	<p>revert back to the department and the State."</p>
	<p><u>Model Law Section 7(5):</u></p> <p><b><u>"§302-P Charter transfers.</u></b> <u>Transfer of a charter contract, and of oversight of that public charter school, from one authorizer to another before the expiration of the charter term shall not be permitted except by special petition to the board of education by a public charter school or its authorizer. The board shall review such petitions on a case-by-case basis and may grant transfer requests in response to special circumstances and evidence that such a transfer would serve the best interests of the public charter school's students."</u></p>
	<p><u>Model Law Section 7(6):</u></p> <p><b><u>"§302B-Q Annual report.</u></b> <u>On or before [INSERT DATE] of each year beginning in the first year after the state will have had public charter schools operating for a full school year, the board of education shall issue to the governor, the legislature, and the public at large, an annual report on the state's public charter schools, drawing from the annual reports submitted by every authorizer as well as any additional relevant data compiled by the board, for the school year ending in the preceding calendar year. The annual report shall include a comparison of the performance of public charter school students with the performance of academically, ethnically, and economically comparable groups of students in non-charter public schools. In addition, the annual report shall include the board's assessment of the successes, challenges, and areas for improvement in meeting the purposes of this chapter, including the board's assessment of the sufficiency of funding for public charter schools, the efficacy of the state formula for authorizer funding,</u></p>

	<p><u>and any suggested changes in state law or policy necessary to strengthen the state's public charter schools."</u></p>
	<p><u>Working Group:</u></p> <p><b><u>"§302B-R Uniform education reporting system.</u></b> <u>The board of education shall establish a uniform education reporting system that shall include requirements for reporting fiscal, personnel, and student data, by means of electronic transfer of data files from charter schools to the department. All charter schools shall comply with the requirements of the uniform education reporting system by the beginning of the 2012-2013 school year."</u></p>
	<p><b><u>"§302B-S Board as final arbitrator.</u></b> <u>(a) The board of education shall serve as the final arbitrator of any dispute between a charter school, governing board, and the department.</u></p> <p><u>(b) A party shall not be entitled to a hearing before the board under this section until it has exhausted all available administrative remedies.</u></p> <p><u>(c) The board shall adopt applicable rules and procedures pursuant to chapter 91 for implementing this section."</u></p>

\*There may need to be additional housekeeping/ technical non-substantive amendments for purposes of clarity and consistency.