

**Charter School Governance, Accountability & Authority Task Force  
WORKING GROUP #1 REPORT**

*Objective One: Develop legislation or administrative rules that clearly and definitively designate the governance structure and authority between and among key charter school organizations and the DOE, the BOE, and the Office of the Governor.*

- 1. Are the current roles and lines of authority clearly defined for the following entities: CSRP, CSAO, HCSN, LSB, DOE, BOE \* Office of the Governor?**
  - a. If not clearly defined, what has been some of the consequences?
  - b. Are these adequately supported by statute or rule?
  - c. Are these supported in practice? If not, what has been the practice?
  - d. What changes would we like to consider to better clarify roles and lines of authority? Do we want to consider any changes to existing roles to better support the system?
  - e. If changes are recommended, what impacts will it have on other areas? For example, if the CSAO were to serve as the LEA, greater resources for the office would be required.

*Working Group Conclusion: This is an area of ongoing discussion and clarity will be achieved through the work of this group and others going forward. One recommendation was to remove existing organizational chart from the CSAO/CSRP website as it may cause confusion (although it also sheds light on the overall problem).*

- 2. What is the role of the Detailed Implementation Plan (DIP) in both statute and in serving as an official contract between LSB's and the CSRP (as authorizer)?**
  - a. What has been some of the concerns or ambiguities surrounding the DIP?
  - b. What clarifications need to be made both in statute/rule and in practice?

*Working Group Conclusion: Looking at clarifying the role/form/function of an authorizer (which includes CSRP) and the establishment of a charter contract and monitoring conditions by evaluating Sections 5 & 7 of the Model Law. (Attachment A)*

*Staff attorney also working on overlaying the recommended changes with existing HRS to determine what statutory changes would be required. (Attachment B)*

- 3. Do we want to consider the possibility of multiple authorizers? Yes or No?**
  - a. What questions need to be addressed or areas clarified going forward? (more than likely the issue of multiple authorizers will be discussed in all working groups in some capacity)

*Working Group Conclusion: Would like to open up the statute to allow for possibility of multiple authorizers. That being said, if we have multiple authorizers will need staffing resources and funding to support authorizer functions and responsibilities. Would need to work out details going forward-applications, lines of authority, how to fit into organizational chart.*

**4. Should consideration be given to a structure that involved Charter School's having their own Superintendent?**

*Working Group Conclusion: No, but...there is a need for a voice(s); and more importantly a clear point of contact. Need to outline and understand who oversees which parts.*

**5. Recommendations for Working Group #2:**

- a. Need to delineate administrative functions
- b. Better define the role/responsibilities of the SEA & LEA, establish accountability plan
- c. Likes the per pupil funding aspect that currently exists
- d. Need to clarify what federal requirements come with federal dollars and who is responsible for required data.

**SECTIONS V AND VII OF THE CHARTER SCHOOL MODEL LAW**  
**Proposed Additions to Hawaii Revised Statutes (HRS)**

<b>SECTION FIVE: AUTHORIZERS</b>	<b>COMMENTS</b>
<p>(1) Eligible Authorizing Entities</p> <p>(a) The Charter School Review Panel (CSRP) may authorize public charter schools anywhere in the state, provided that the CSRP fulfills requirements of all public charter school authorizers under this Act.</p> <p>(b) Governing boards of accredited public or private postsecondary institutions, including community colleges, technical colleges, tribal colleges, and four-year colleges and universities, may apply to the BOE, pursuant to Section V, (4) of this Act, for statewide, regional, or local chartering authority, in accordance with each institution's regular operating jurisdiction.</p> <p>(c) A county or governmental agency may apply to the BOE, pursuant to Section V, (4) of this Act, for chartering authority within the county's or agency's jurisdiction.</p> <p>(d) Governing boards of non-profit or charitable organizations, which are exempt from federal taxes under sections 501(c)(3) or 501(c)(6) of the Internal Revenue Code, may apply to the BOE, pursuant to Section V, (4) of this Act, and may be granted statewide, regional, or local 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."</p>	<p>-In this section of the model law, it references a State Public Charter School Commission which has the authority to authorize charters statewide. This term has been replaced by the CSRP to make it applicable to Hawaii-some discussion was given to whether or not a name change would add clarity to the function/role of panel.</p> <p>-Reference throughout this section of the model law is also made to a State's Authorizer Oversight Body. The working group felt that for the time being, this role should be filled by the BOE.</p> <p>-Question: If other governmental entities were allowed to be authorizers, would this impact how federal funds were handled &amp; received? Need to possibly address in terms of SEA/LEA jurisdiction &amp; responsibilities.</p> <p>-Question: Need to look at nonprofit LSB vs. nonprofit authorizer issue (per-capita funding question)</p>
<p>(2) State Public Charter School Commission (CSRP)</p>	<p>-This will be added to existing HRS to establish qualifications for CSRP members.</p>

<p>(d) Members appointed to the CSRP shall collectively possess strong experience and expertise in public and nonprofit governance, management and finance, public school leadership, assessment, and curriculum and instruction, and public education law. All members of the CSRP shall have demonstrated understanding of and commitment to charter schooling as a strategy for strengthening public education.</p> <p>(e) (Include language to ensure that terms are always staggered going forward)</p> <p>(f) The CSRP shall operate with dedicated resources and staff qualified to execute the day-to-day responsibilities of public charter school authorizing in accordance with this Act."</p>	<p>-Question: Should we re-examine the makeup of the CSRP, and address the potential for conflicts of interest and overall duties of members?</p> <p>-Need to include language to ensure that all terms are staggered going forward to ensure continuity; avoid quorum issues.</p> <p>-Question: Should CSAO be staff to the CSRP?</p>
<p>(4) Chartering Authority Application for Eligible Entities</p> <p>(a) The BOE shall establish the annual application and approval process, including cycles and deadlines during the fiscal year, for all entities eligible to apply for chartering authority, as set forth in Section V, (1) of this Act. By [INSERT DATE] of each year, the BOE shall make available information and guidelines for all eligible entities concerning the opportunity to apply for chartering authority under this Act. The application process shall require each interested eligible entity to submit an application that clearly explains or presents the following elements:</p> <ul style="list-style-type: none"> <li>(i) Written notification of intent to serve as a charter authorizer in accordance with this Act;</li> <li>(ii) The applicant entity's strategic vision for chartering;</li> <li>(iii) 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 Act;</li> <li>(iv) A draft or preliminary outline of the request for proposals that the</li> </ul>	

<p>applicant entity would, if approved as a charter authorizer, issue to solicit public charter school applicants, consistent with Section VI, (1) of this Act;</p> <ul style="list-style-type: none"> <li>(v) 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 Act;</li> <li>(vi) A draft of the applicant entity’s renewal, revocation, and non-renewal processes, consistent with Section VII, (3) of this Act;</li> <li>(vii) 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 Act, and that if approved as a charter authorizer, the entity will fully participate in any authorizer training provided or required by the state; and</li> <li>(viii) A statement of assurance that the applicant will ensure public accountability and transparency in all matters concerning their charter-authorizing practices, decisions, and expenditures.</li> </ul> <p>(b) By [INSERT DATE] of each year, the BOE shall decide whether to grant or deny chartering authority to each applicant. The BOE shall make its decisions on the merits of each applicant’s proposal and plans.</p> <p>(c) Within [INSERT NUMBER OF DAYS] of the BOE’s decision, the BOE 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 Act, and shall specify additional performance terms based on the applicant’s proposal and plan for chartering. No approved entity shall commence charter authorizing without an authorizing contract in effect."</p>	
<p>(5) Authorizer Powers, Duties, and Liabilities</p>	

<p>(a) Authorizers are responsible for executing, in accordance with this Act, the following essential powers and duties:</p> <ul style="list-style-type: none"> <li>(i) Soliciting and evaluating charter applications;</li> <li>(ii) Approving quality charter applications that meet identified educational needs and promote a diversity of educational choices;</li> <li>(iii) Declining to approve weak or inadequate charter applications;</li> <li>(iv) Negotiating and executing sound charter contracts with each approved public charter school;</li> <li>(v) Monitoring, in accordance with charter contract terms, the performance and legal compliance of public charter schools; and</li> <li>(vi) Determining whether each charter contract merits renewal, nonrenewal, or revocation.</li> </ul> <p>(b) An authorizing entity may delegate its duties to offices, employees, and contractors.</p> <p>(c) Regulation by authorizers shall be limited to these powers and duties, and consistent with the spirit and intent of this Act.</p> <p>(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."</p>	
<p>(6) Principles and Standards for Charter Authorizing</p> <p>(a) 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 Act in a manner consistent with such nationally recognized principles and standards and with the</p>	

<p>spirit and intent of this Act. Evidence of material or persistent failure to do so shall constitute grounds for losing charter authorizing powers."</p>	
<p>(7) Authorizer Reporting</p> <p>(a) Every authorizer shall be required to submit to the BOE and the LEGISLATURE an annual report summarizing:</p> <ul style="list-style-type: none"> <li>(i) The authorizer's strategic vision for chartering and progress toward achieving that vision;</li> <li>(ii) 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 Act;</li> <li>(iii) 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;</li> <li>(iv) The authorizing functions provided by the authorizer to the public charter schools under its purview, including the authorizer's operating costs and expenses detailed in annual audited financial statements that conform with Generally Accepted Accounting Principles; and</li> <li>(v) 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 V, (11)." </li></ul>	<p>-Question: Should we change the financial audit requirement to allow for reviews between audits if a school has an unqualified initial audit? (unqualified meaning no findings) Need to better understand what BOE/DOE needs to comply with federal requirements.</p>
<p>(9) Conflicts of Interest</p>	<p>Question: If we were to adopt this statement, how would that impact current makeup or potentially amended makeup of</p>

<p>(a) 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."</p>	<p>CSRP?</p>
<p>(10) Exclusivity of Authorizing Functions and Rights</p> <p>(a) No governmental or other entity, other than those expressly granted chartering authority as set forth in this Act, may assume any charter authorizing function or duty in any form, unless expressly allowed by law."</p>	
<p>(11) Services Purchased from Authorizer – Itemized Accounting</p> <p>(a) With the exception of oversight services as required by Section IV, (8), 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.</p> <p>(b) A public charter school may, at its discretion, choose to purchase services from its authorizer. In such 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.</p> <p>(c) Within [INSERT NUMBER OF 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</p>	

<p>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 BOE whose determination shall be final."</p>	
<p>(12) Oversight of Public Charter School Authorizers</p> <ul style="list-style-type: none"> <li>(a) The BOE shall be responsible for overseeing the performance and effectiveness of all authorizers established under this Act.</li> <li>(b) In accordance with Section V, (7), every authorizer shall be required to submit to the BOE and the LEGISLATURE an annual report. The BOE shall, by [INSERT DATE] of each year, communicate to every authorizer the requirements for the format, content, and submission of the annual report.</li> <li>(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 BOE. In reviewing or evaluating the performance of authorizers BOE shall apply nationally recognized principles and standards for quality charter authorizing. If at any time the BOE finds that an authorizer is not in compliance with an existing charter contract, its authorizing contract with the BOE, or the requirements of all authorizers under this Act, the BOE shall notify the authorizer in writing of the identified problems, and the authorizer shall have reasonable opportunity to respond and remedy the problems.</li> <li>(d) If an authorizer granted chartering authority under Section V, (4) of this Act persists, after due notice from the BOE, in violating a material provision of a charter contract or its authorizing contract with the BOE, or fails to remedy other identified authorizing problems, the BOE 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.</li> </ul>	<p>-BOE needs to be involved in the drafting of this sub-section; would be responsible for establishing the framework, process and procedures for carrying out this sub-section.</p>

<p>(f) In the event of revocation of any authorizer’s chartering authority, the BOE 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."</p>	
<b>SECTION SEVEN: ACCOUNTABILITY</b>	<b>COMMENTS</b>
<p>(1) Performance Framework</p> <p>(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:</p> <ul style="list-style-type: none"> <li>(i) Student academic proficiency;</li> <li>(ii) Student academic growth;</li> <li>(iii) Achievement gaps in both proficiency and growth between major student subgroups;</li> <li>(iv) Attendance;</li> <li>(v) Recurrent enrollment from year to year;</li> <li>(vi) Postsecondary readiness (for high schools);</li> <li>(vii) Financial performance and sustainability; and</li> <li>(viii) Board performance and stewardship, including compliance with all applicable laws, regulations, and terms of the charter contract.</li> </ul> <p>(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.</p> <p>(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</p>	<p>-Need to replace Detailed Implementation Plan (DIP) with Charter Application in HRS.</p> <p>-Insert definition of charter contract (model law) into HRS.</p>

<p>approves the quality and rigor of such school-proposed indicators, and they are consistent with the purposes of this Act.</p> <p>(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).</p> <p>(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.</p> <p>(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, individual schools, and each school shall be held independently accountable for its performance."</p>	
<p>"(2) Ongoing Oversight and Corrective Actions</p> <p>(a) 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 Act, adhere to the terms of the charter contract, and do not unduly inhibit the autonomy granted to public charter schools.</p> <p>(b) Each authorizer shall annually publish and provide, as part of its annual report to the BOE 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 V, (7) 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.</p>	<p>-Need to cross check if any existing HRS must be kept if the this language replaces existing statute.</p>

<p>(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.</p> <p>(d) Every authorizer shall have the authority to take appropriate corrective actions or exercise sanctions 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."</p>	
<p>(3) Renewals, Revocations, and Non-renewals</p> <p>(a) A charter may be renewed for successive five-year terms of duration, although the authorizer may vary the term based on the performance, demonstrated capacities, and particular circumstances of each public charter school. An authorizer may grant renewal with specific conditions for necessary improvements to a public charter school.</p> <p>(b) No later than [INSERT DATE], the authorizer shall issue a public charter school performance report and charter renewal application guidance to any public charter school whose charter will expire the following year. The performance report shall summarize the public charter school's performance record to date, based on the data required by this Act and the charter contract, and shall provide notice of any weaknesses or concerns perceived by the authorizer concerning the public charter school that may jeopardize its position in seeking renewal if not timely rectified. The public charter school shall have [INSERT NUMBER OF DAYS] to respond to the performance report and submit any corrections or clarifications for the report.</p> <p>(c) The renewal application guidance shall, at a minimum, provide an opportunity for the public charter school to:</p> <p style="padding-left: 40px;">(i) Present additional evidence, beyond the data contained in the performance report, supporting its case for charter</p>	<p>-Question: HRS has renewal every 6 yrs to align with accreditation timeframes. Do we want to keep at 6 or go with 5 yr terms as proposed by the model law?</p>

<p>renewal;</p> <p>(ii) Describe improvements undertaken or planned for the school; and</p> <p>(iii) Detail the school's plans for the next charter term.</p> <p>(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 the performance framework set forth in the charter contract and consistent with this Act.</p> <p>(e) No later than [INSERT DATE], the governing board of a public charter school seeking renewal shall submit a renewal application to the charter authorizer pursuant to the renewal application guidance issued by the authorizer. The authorizer shall rule by resolution on the renewal application no later than [INSERT NUMBER OF DAYS] after the filing of the renewal application.</p> <p>(f) In making charter renewal decisions, every authorizer shall:</p> <p>(i) 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;</p> <p>(ii) Ensure that data used in making renewal decisions are available to the school and the public; and</p> <p>(iii) Provide a public report summarizing the evidence basis for each decision.</p> <p>(g) A charter contract may be revoked at any time or not renewed if the authorizer determines that the public charter school did any of the following or otherwise failed to comply with the provisions of this Act:</p> <p>(i) Commits a material and substantial violation of any of the terms, conditions, standards, or procedures required under this Act or the charter contract;</p> <p>(ii) Fails to meet or make sufficient progress toward the performance expectations set forth in the charter contract;</p> <p>(iii) Fails to meet generally accepted standards of fiscal management; or</p> <p>(iv) Substantially violates any material provision of law</p>	
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<p>from which the public charter school was not exempted.</p> <p>(h) An authorizer must develop revocation and non-renewal processes that:</p> <ul style="list-style-type: none"> <li>(i) Provide the charter holders with a timely notification of the prospect of revocation or non-renewal and of the reasons for such possible closure;</li> <li>(ii) Allow the charter holders a reasonable amount of time in which to prepare a response;</li> <li>(iii) 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 that purpose;</li> <li>(iv) Allow the charter holders access to representation by counsel and to call witnesses on their behalf;</li> <li>(v) Permit the recording of such proceedings; and</li> <li>(vi) After a reasonable period for deliberation, require a final determination be made and conveyed in writing to the charter holders.</li> </ul> <p>(i) If an authorizer revokes or does not renew a charter, the authorizer shall clearly state, in a resolution of its governing board, the reasons for the revocation or nonrenewal.</p> <p>(j) Within [INSERT NUMBER OF DAYS] of taking action to renew, not renew, or revoke a charter, the authorizer shall report to the BOE the action taken, and shall provide a copy of the report to the public charter school at the same time that the report is submitted to the BOE. The report shall include a copy of the authorizer governing board's resolution setting forth the action taken and reasons for the decision and assurances as to compliance with all of the requirements set forth in this Act."</p>	
<p>(4) School Closure and Dissolution</p> <p>(a) Prior to any public charter school closure decision, an authorizer shall have developed a public charter school closure protocol to ensure timely</p>	<p>-Ruth to review existing CSRPs and determine if any additional language should be added to mitigate potential problems for future authorizers.</p>

<p>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 Act. 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.</p> <p>(b) In the event of a public charter school closure for any reason, the assets of the school 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 revenue 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."</p>	<p>-In subsection (b), include appropriate language to make clear that any facilities would revert back to the state, with first rights of refusal going to a charter school, then the Department of Education.</p>
<p>(5) Charter Transfers</p> <p>(a) 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 BOE by a public charter school or its authorizer. The BOE 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."</p>	
<p>(6) Annual Report</p> <p>(a) On or before [INSERT DATE] of each year beginning in the first year</p>	

<p>after the state will have had public charter schools operating for a full school year, the BOE 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 BOE, 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 BOE's assessment of the successes, challenges, and areas for improvement in meeting the purposes of this Act, including the BOE's assessment of the sufficiency of funding for public charter schools, the efficacy of the state formula for authorizer funding, and any suggested changes in state law or policy necessary to strengthen the state's public charter schools."</p>	
<b>SECTION THREE: DEFINITIONS</b>	<b>COMMENTS</b>
<p>(5) "Authorizer" is an entity authorized under this Act to review applications, decide whether to approve or reject applications, enter into charter contracts with applicants, oversee public charter schools, and decide whether to renew, not renew, or revoke charter contracts.</p> <p>"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.</p>	<p>-Amending definition of Detailed Implementation Plan (DIP) in HRS to read: "Charter application" means the document that details the charter school's purpose, focus, operations, organization, finances, and accountability.</p> <p>-Need to review all definitions to align with amendments being made. All references to the DIP in HRS needs to be adjusted.</p>

**POTENTIAL REVISIONS TO SELECT SECTIONS OF CHAPTER 302B BASED ON  
INCORPORATION OF SECTIONS V AND VII OF THE CHARTER SCHOOL MODEL LAW\***

CHAPTER 302B	COMMENTS
<b>302B-1 Definitions</b>	This section will be amended to include any relevant definitions from the Model Law and to address any other amendments to Chapter 302B.
<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> <ol style="list-style-type: none"> <li>(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;</li> <li>(2) Two educational officers; provided that one educational officer is employed at a start-up charter school, and one educational officer is employed at a conversion charter school;</li> <li>(3) One member or former member of a charter school local school board;</li> <li>(4) The chair of the board of education or the chair's designee;</li> <li>(5) A representative of Hawaiian culture-focused charter schools;</li> <li>(6) Two representatives of the University of Hawaii who are not affiliated with charter schools;</li> <li>(7) One member with a background in business or accounting who is not affiliated with charter schools;</li> <li>(8) One member with a background in the building trades or real</li> </ol>	<p>Subsection:</p> <p>(a) Will be amended to reflect new name of CRSP. This subsection may also include selected language from Section V(2) of the Model Law (State Public Charter School Commission) or this language will be added as a new section to Chapter 302B.</p> <p>(b) Whether this subsection is amended or repealed will depend on the whether the Task Force (TF) decides to change the composition of the CRSP.</p> <p>(c) Whether this subsection is amended or repealed will depend on the whether the TF decides to change the composition of the CRSP.</p> <p>(d) Whether this subsection is amended or repealed will depend on the whether the TF decides to change the composition of the</p>

<p>estate who is not affiliated with charter schools; and</p> <p>(9) A representative from the Hawaii Association of Independent Schools;</p> <p>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.</p> <p>(c) The board shall appoint the remaining members of the panel other than the chair of the board.</p> <p>(d) Appointed panel members shall serve not more than three consecutive three-year terms, with 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:</p> <ol style="list-style-type: none"> <li>(1) Four members to serve three-year terms;</li> <li>(2) Four members to serve two-year terms; and</li> <li>(3) Three members to serve a one-year term.</li> </ol> <p>(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.</p> <p>(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.</p> <p>(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.</p>	<p>CRSP. May also wish to amend to have general language requesting the Board of Education to stagger terms once composition is determined.</p> <p>(e) TF may choose to keep this language.</p> <p>(f) Whether this subsection is amended or repealed will depend on the whether the TF decides to change the composition of the CRSP.</p> <p>(g) How this subsection is amended will depend on the whether the TF decides to change the composition of the CRSP. Language from Section V(9) of the Model Law (Conflicts of Interest) may be incorporated as it relates to the CRSP.</p> <p>(h) TF may choose to keep this language.</p> <p>(i) This will be revised to include language from Section V(5) of the Model Law (Authorizer Powers, Duties, and Liabilities), and Section VII(2) (Ongoing Oversight and Corrective Actions) as they relate to the CRSP. These sections of the Model Law will also be added to Chapter 302B as new sections to apply to</p>
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(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 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;
- (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

other potential authorizers besides the CRSP. The TF will need to decide if there is any language in the existing subsection that it would like to keep.

(j) TF may choose to keep this language.

(k) How this subsection is amended will depend on what the TF decides re: funding and the role of the CSAO.

- 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;
- (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;
- (10) Periodically adopt improvements in the panel's monitoring and oversight of charter schools;
- (11) Periodically adopt improvements in the office's support of charter schools and management of the charter school system;
- (12) Review, modify, and approve charter schools' all means of finance budget, based upon criteria and an approval process established by the panel;
- (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:
- (A) The current status of the facility;
  - (B) Facilities costs, including all rents, leases, purchases, and repair and maintenance for lands and buildings;
  - (C) A prioritized list of facilities needs;
  - (D) Any capital improvement projects underway or scheduled; and
  - (E) Whether the facility is a conversion or start-up charter school, and current and projected enrollment;
- (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
- (15) Ensure that local school boards are fulfilling their

<p>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-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 necessary for a recommendation of approval;</li> <li>(8) Following the submission of an application, issuance of a</li> </ol>	<p>This section may be amended to take into account Section VII(1) of the Model Law (Performance Framework); i.e., Detailed Implementation Plan and a separate Performance Contract or the language in Section VII(1) may be added as a new section to Chapter 302B. This section will also need to be amended to take into account multiple authorizers.</p>

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 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

<p>accountability in public schools throughout the State; and</p> <p>(D) Provides for program audits and annual financial audits;</p> <p>(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;</p> <p>(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</p> <p>(8) A facilities plan."</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 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> <p>(1) The submission of a letter of intent to convert to a charter school;</p> <p>(2) The timely transmittal of the application form and completion guidelines to the interim local school board;</p> <p>(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 students at the proposed conversion charter school;</p>	<p>This section may be amended to take into account Section VII(1) of the Model Law (Performance Framework); i.e., Detailed Implementation Plan and a separate Performance Contract or the language in Section VII(1) may be added as a new section to Chapter 302B. This section will also need to be amended to take into account multiple authorizers.</p>

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| <p>(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;</p> <p>(5) The timely resubmission of the application;</p> <p>(6) Upon receipt of a completed application, the convening of the panel by the panel chairperson to begin review of the application;</p> <p>(7) The timely notification of the applicant of any revisions the panel may request as necessary for a recommendation of approval;</p> <p>(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:</p> <ul style="list-style-type: none"><li>(A) Clearly identify in writing its reasons for not issuing the charter, which may be used as guidelines for an amended plan; and</li><li>(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;</li></ul> <p>(9) A provision for a final date on which a decision must be made upon receipt of an amended plan; and</p> <p>(10) A provision that no conversion charter school may begin operation before obtaining panel approval of its charter.</p> <p>(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:</p> <ul style="list-style-type: none"><li>(1) A description of employee rights and management issues and a framework for addressing those issues that protects the rights of employees;</li><li>(2) A plan for identifying, recruiting, and retaining highly-qualified instructional faculty;</li><li>(3) A plan for identifying, recruiting, and selecting students</li></ul> |  |
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| <p>that is not exclusive, elitist, or segregationist;</p> <ul style="list-style-type: none"><li>(4) The curriculum and instructional framework to be used to achieve student outcomes, including an assessment plan;</li><li>(5) A plan for the assessment of student, administrative support, and teaching personnel performance that:<ul style="list-style-type: none"><li>(A) Recognizes the interests of the general public;</li><li>(B) Incorporates or exceeds the educational content and performance standards developed by the department for the public school system;</li><li>(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</li><li>(D) Provides for program audits and annual financial audits;</li></ul></li><li>(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;</li><li>(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</li><li>(8) A facilities plan.</li><li>(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:<ul style="list-style-type: none"><li>(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</li></ul></li></ul> |  |
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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 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 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,

<p>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.</p> <p>(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:</p> <ol style="list-style-type: none"> <li>(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;</li> <li>(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;</li> <li>(3) Comply with all applicable federal, state, and county laws, including licensure or accreditation, as applicable; and</li> <li>(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.</li> </ol> <p>(g) Any public school or schools, programs, or 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.</p> <p>(h) In the event of a conflict between the provisions in this section and other provisions in this chapter, this section shall control."</p>	
<p><b>"§302B-14 Accountability; probationary status; revocation of charter.</b> (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:</p> <ol style="list-style-type: none"> <li>(1) The identification and adoption of benchmarks to measure and evaluate administrative and instructional programs;</li> <li>(2) The identification of any innovations or research that may assist other public schools;</li> </ol>	<p>Subsection:</p> <p>(a) This may be amended to provide for the submission of self-evaluations to a charter school's authorizer rather than CRSP. The Model Law does not require charter schools to conduct self-evaluations so it is up to the TF whether it would</p>

<p>(3) The identification of any administrative and legal barriers to meeting the adopted benchmarks, and recommendations for improvements and modifications to address the barriers;</p> <p>(4) An evaluation of student achievement within the charter school;</p> <p>(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</p> <p>(6) An evaluation of the school's organizational viability.</p> <p>(b) The panel shall conduct a multi-year evaluation of each charter school on its fourth anniversary year and every five years thereafter. The panel may from time to time establish a schedule to stagger the multi-year evaluations.</p> <p>(c) The panel may conduct special evaluations of charter schools at any time.</p> <p>(d) The panel may place a charter school on probationary status; provided that:</p> <p>(1) The panel evaluates the charter school or reviews an evaluation of the charter school;</p> <p>(2) The panel and the office are involved in substantive discussions with the charter school regarding the areas of deficiencies;</p> <p>(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;</p> <p>(4) For deficiencies related to student performance, a charter school shall be allowed two years to improve student performance;</p> <p>(5) For deficiencies related to financial plans, a charter school shall be allowed one year to develop a sound financial plan; and</p> <p>(6) For deficiencies related to organizational viability, a charter school may be allowed one year to improve administrative compliance.</p> <p>The charter school shall remain on probationary status until the panel votes either to remove the charter school from probationary</p>	<p>like to keep this requirement.</p> <p>(b) through (i) will be amended to reflect the language in Section VII(3) of the Model Law (Renewals, Revocations, and Non-Renewals). It is up to the TF if it wants to require the BOE to adopt administrative rules for Renewals, Revocations, and Non-Renewals.</p> <p>This section may also be amended to incorporate the language of Section VII(4) of the Model Law (School Closure and Dissolution) or this language may be added as a new section.</p>
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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 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

<p>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.</p>	
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(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 facilities of the charter school, except as otherwise provided by law."

**\*Note:**

Other sections of Chapter 302B may be amended or repealed depending on the final recommendations of the Task Force as well as to address the change from a single authorizer (CRSP) to a multiple authorizer system.

New sections will be added to Chapter 302B for Sections of the Model Law that the Task Force chooses to adopt for which there are no comparable provisions in the current HRS or which apply to other authorizers besides the CRSP, e.g., Section V(1) of the Model Law (Eligible Authorizers).