

1 National Alliance for Public Charter Schools and used the model
2 law as a guide in compiling its recommendations to the
3 legislature.

4 The task force was also fortunate to have the assistance
5 and input of the National Association of Charter School
6 Authorizers and the National Governors Association.

7 After in-depth examination and discussion, the task force
8 concluded its work and issued its report and recommendations to
9 the legislature.

10 The purpose of this Act is to adopt the recommendations of
11 the task force by repealing chapter 302B, Hawaii Revised
12 Statutes, and establishing a new charter school law that creates
13 a solid governance structure for Hawaii's charter school system
14 with clear lines of authority and accountability that will
15 foster improved student outcomes.

16 The legislature finds that this Act will support new
17 approaches to education that accommodate the individual needs of
18 students and provide the State with successful templates that
19 can dramatically improve Hawaii's educational standards for the
20 twenty-first century. This Act will create genuine
21 opportunities for communities to implement innovative models of
22 community-based education.



1 PART II

2 SECTION 2. The Hawaii Revised Statutes is amended by
3 adding a new chapter to be appropriately designated and to read
4 as follows:

5 "CHAPTER

6 PUBLIC CHARTER SCHOOLS

7 § -1 Definitions. Whenever used in this chapter, unless
8 the context otherwise requires:

9 "Application" means a proposal from an applicant to an
10 authorizer to enter into a charter contract whereby the proposed
11 school obtains public charter school status.

12 "Authorizer" means an entity authorized under this chapter
13 to review applications, decide whether to approve or reject
14 charter applications, enter into charter contracts with
15 applicants, oversee public charter schools, and decide whether
16 to authorize, reauthorize, or reject charter contracts. The
17 term may include the commission when appropriate.

18 "Board" means the board of education.

19 "Charter contract" means a fixed-term, bilateral, renewable
20 contract between a public charter school and an authorizer that
21 outlines the roles, powers, responsibilities, and performance
22 expectations for each party to the contract.



1 "Charter school" or "public charter school" refers to those
2 public schools and their respective governing boards, as defined
3 in this section, that are holding charters to operate as charter
4 schools under this chapter, including start-up and conversion
5 charter schools, and that have the flexibility and independent
6 authority to implement alternative frameworks with regard to
7 curriculum, facilities management, instructional approach,
8 virtual education, length of the school day, week, or year, and
9 personnel management.

10 "Commission" means the state public charter school
11 commission established pursuant to -3 as a statewide
12 authorizer.

13 "Conversion charter school" means:

- 14 (1) Any existing department school that converts to a
15 charter school and is managed and operated in
16 accordance with section -14;
- 17 (2) Any existing department school that converts to a
18 charter school and is managed and operated by a
19 nonprofit organization in accordance with
20 section -14; or
- 21 (3) A newly created school consisting of programs or
22 sections of existing public school populations that



1 are funded and governed independently and may include
2 part of a separate Hawaiian language immersion program
3 using existing public school facilities.

4 "Department" means the department of education.

5 "Executive director" means the executive director of the
6 state public charter school commission.

7 "Governing board" means the independent board of a public
8 charter school that is party to the charter contract with the
9 authorizer that:

- 10 (1) Is responsible for the financial, organizational, and
11 academic viability of the charter school and
12 implementation of the charter;
- 13 (2) Possesses the independent authority to determine the
14 organization and management of the school, the
15 curriculum, and virtual education;
- 16 (3) Has the power to negotiate supplemental collective
17 bargaining agreements with exclusive representatives
18 of their employees; and
- 19 (4) Ensures compliance with applicable state and federal
20 laws.

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



1 (1) Is recognized as a tax-exempt organization under
2 section 501(c)(3) of the Internal Revenue Code; and

3 (2) Is domiciled in this State.

4 "Organizational viability" means that a charter school:

5 (1) Has been duly constituted and operates in accordance
6 with its charter;

7 (2) Has a governing board established in accordance with
8 law and the charter school's charter;

9 (3) Employs sufficient faculty and staff to provide the
10 necessary educational program and support services to
11 operate the facility in accordance with its charter;

12 (4) Maintains accurate and comprehensive records regarding
13 students and employees as determined by its
14 authorizer;

15 (5) Meets appropriate standards of student achievement as
16 defined by the board pursuant to its duties under
17 article X, section 3, of the Constitution of the State
18 of Hawaii;

19 (6) Cooperates with board, commission, and authorizer
20 requirements in conducting its functions;

21 (7) Complies with applicable federal, state, and county
22 laws and requirements;



- 1 (8) In accordance with authorizer guidelines and
2 procedures, is financially sound and fiscally
3 responsible in its use of public funds, maintains
4 accurate and comprehensive financial records, operates
5 in accordance with generally accepted accounting
6 practices, and maintains a sound financial plan;
- 7 (9) Operates within the scope of its charter and fulfills
8 obligations and commitments of its charter;
- 9 (10) Complies with all health and safety laws and
10 requirements;
- 11 (11) Complies with all commission and authorizer
12 directives, policies, and procedures; and
- 13 (12) Complies with all board policies deemed applicable to
14 charter schools by the board.

15 "Start-up charter school" means a new school established
16 under section -13.

17 § -2 Existing charter schools. Any charter school
18 holding a charter to operate under part IV, subpart D, of
19 chapter 302A, as that subpart existed before July 11, 2006, and
20 any charter school holding a charter to operate under chapter
21 302B as it existed before the enactment of this chapter, shall
22 be considered a charter school for the purposes of this chapter



1 under a charter contract with the commission unless the charter
2 contract is revoked, transferred to another authorizer, or not
3 renewed, or the charter school voluntarily closes.

4 § -3 State public charter school commission;
5 establishment; appointment. (a) There is established the state
6 public charter school commission with statewide chartering
7 jurisdiction and authority. The commission shall be placed
8 within the department for administrative purposes only.
9 Notwithstanding section -25 and any law to the contrary, the
10 commission shall be subject to chapter 92.

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

13 (c) The commission shall consist of nine members to be
14 appointed by the board. The board shall appoint members who
15 will be tasked with authorizing public charter schools that
16 serve the unique and diverse needs of public school students.
17 The chair of the commission shall be designated by the members
18 of the commission for each school year beginning July 1, and
19 whenever there is a vacancy. The board shall consider the
20 combination of abilities, breadth of experiences, and
21 characteristics of the commission, including but not limited to
22 reflecting the diversity of the student population, geographical



1 representation, and a broad representation of education-related
2 stakeholders.

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

- 7 (1) Commitment to education. Each nominee's record should
8 demonstrate a deep and abiding interest in education,
9 and a dedication to the social, academic, and
10 character development of young people through the
11 administration of a high performing charter school
12 system;
- 13 (2) Record of integrity, civic virtue, and high ethical
14 standards. Each nominee shall demonstrate integrity,
15 civic virtue, and high ethical standards and be
16 willing to hold fellow commission members to the same;
- 17 (3) Availability for constructive engagement. Each
18 nominee shall commit to being a conscientious and
19 attentive commission member; and
- 20 (4) Knowledge of best practices. Each nominee shall have
21 an understanding of best practices in charter school



1 educational governance or shall be willing to be
2 trained in such.

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

5 (1) Experience governing complex organizations. Each
6 nominee should possess experience with complex
7 organizations, including but not limited to
8 performance contract management, and a proven ability
9 to function productively within them; and

10 (2) Collaborative leadership ability. Each nominee should
11 have substantial leadership experience that ideally
12 illustrates the nominee's ability to function among
13 diverse colleagues as an effective team member, with
14 the ability to articulate, understand, and help shape
15 consensus surrounding commission policies.

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

20 (g) Commission members shall serve not more than three
21 consecutive three-year terms, with each term beginning on

1 July 1; provided that the initial terms that commence after
2 June 30, 2012, shall be staggered as follows:

3 (1) Three members, including the chairperson, to serve
4 three-year terms;

5 (2) Three members to serve two-year terms; and

6 (3) Three members to serve one-year terms.

7 (h) Notwithstanding the terms of the members, the board
8 may fill vacancies in the commission at any time when a vacancy
9 occurs due to resignation, non-participation, the request of a
10 majority of the commission members, or termination by the board
11 for cause.

12 (i) Commission members shall receive no compensation.

13 When commission duties require that a commission member take
14 leave of the member's duties as a state employee, the
15 appropriate state department shall allow the commission member
16 to be placed on administrative leave with pay and shall provide
17 substitutes, when necessary, to fulfill that member's duties.
18 Members shall be reimbursed for necessary travel expenses
19 incurred in the conduct of official commission business.

20 (j) The commission shall establish operating procedures
21 that shall include conflict of interest procedures for any



1 member whose school of employment or governing board is before
2 the commission.

3 (k) The commission shall operate with dedicated resources
4 and staff qualified to execute the day-to-day responsibilities
5 of the commission pursuant to this chapter.

6 § -4 Chartering authority application for eligible
7 entities. (a) The commission created under section -3 may
8 authorize public charter schools anywhere in the State.

9 (b) Governing boards of accredited public and private
10 postsecondary institutions, including community colleges,
11 technical colleges, and four-year universities may apply to the
12 board, pursuant to this section, for statewide, regional, or
13 local chartering authority, in accordance with each
14 institution's regular operating jurisdiction.

15 (c) A county or state agency may apply to the board,
16 pursuant to this section, for chartering authority;

17 (d) Governing boards of non-profit or charitable
18 organizations, which are exempt from federal taxes under section
19 501(c)(3) or 501(c)(6) of the Internal Revenue Code, may apply
20 to the board, and may be granted statewide chartering authority.
21 Nonpublic sectarian or religious organizations and any other
22 charitable organization which in their federal Internal Revenue



1 Service Form 1023, Part IV, describe activities indicating a
2 religious purpose, are not eligible to apply to become an
3 authorizer under this chapter.

4 (e) The board shall establish, through administrative
5 rules, the annual application and approval process for all
6 entities eligible to apply for chartering authority pursuant to
7 this section. Following the adoption of administrative rules,
8 by June 30 of each year, the board shall make available
9 information and guidelines for all eligible entities concerning
10 the opportunity to apply for chartering authority under this
11 chapter. The application process shall require each interested
12 eligible entity to submit an application that clearly explains
13 or presents the following elements:

14 (1) Written notification of intent to serve as a charter
15 authorizer in accordance with this chapter;

16 (2) The applicant entity's strategic vision for
17 chartering;

18 (3) A plan to support the vision presented, including
19 explanation and evidence of the applicant entity's
20 budget and personnel capacity and commitment to
21 execute the responsibilities of quality charter
22 authorizing, in accordance with this chapter;



- 1 (4) A draft or preliminary outline of the request for
2 proposals that the applicant entity, if approved as a
3 charter authorizer, would issue to solicit public
4 charter school applicants;
- 5 (5) A draft of the performance framework that the
6 applicant entity, if approved as a charter authorizer,
7 would use to guide the establishment of a charter
8 contract and for ongoing oversight and evaluation of
9 public charter schools, consistent with the
10 requirements of this chapter;
- 11 (6) A draft of the applicant entity's renewal, revocation,
12 and nonrenewal processes, consistent with section
13 -18;
- 14 (7) A statement of assurance that the applicant entity
15 seeks to serve as a charter authorizer in fulfillment
16 of the expectations, spirit, and intent of this
17 chapter, and that if approved as a charter authorizer,
18 the entity will fully participate in any authorizer
19 training provided or required by the State; and
- 20 (8) A statement of assurance that the applicant will
21 ensure public accountability and transparency in all



1 matters concerning its charter-authorizing practices,
2 decisions, and expenditures.

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

7 (g) Within days of the board's decision, the board
8 shall execute a renewable authorizing contract with each entity
9 it has approved for chartering authority. The initial term of
10 each authorizing contract shall be six years. The authorizing
11 contract shall specify each approved entity's agreement to serve
12 as a charter authorizer in accordance with the expectations of
13 this chapter, and shall specify additional performance terms
14 based on the applicant's proposal and plan for chartering. No
15 approved entity shall commence charter authorizing without an
16 authorizing contract in effect.

17 (h) This section shall not apply to the commission.

18 § -5 Authorizer powers, duties, and liabilities. (a)

19 Authorizers are responsible for executing the following
20 essential powers and duties:

21 (1) Soliciting and evaluating charter applications;



- 1 (2) Approving quality charter applications that meet
2 identified educational needs and promote a diversity
3 of educational choices;
- 4 (3) Declining to approve weak or inadequate charter
5 applications;
- 6 (4) Negotiating and executing sound charter contracts with
7 each approved public charter school;
- 8 (5) Monitoring, in accordance with charter contract terms,
9 the performance and legal compliance of public charter
10 schools; and
- 11 (6) Determining whether each charter contract merits
12 renewal, nonrenewal, or revocation.
- 13 (b) An authorizer shall:
- 14 (1) Act as the point of contact between the department and
15 a public charter school it authorizes and be
16 responsible for the administration of all applicable
17 state and federal laws;
- 18 (2) Be responsible for and ensure compliance of a charter
19 school it authorizes with all applicable state and
20 federal laws, including reporting requirements;



1 (3) Be responsible for the receipt of applicable federal
2 funds from the department and the distribution of
3 funds to the public charter school it authorizes; and

4 (4) Be responsible for the receipt of per-pupil funding
5 from the department of budget and finance and
6 distribution of the funding to the public charter
7 school it authorizes.

8 (c) An authorizing entity may delegate its duties to
9 officers, employees, and contractors.

10 (d) Regulation by authorizers shall be limited to the
11 powers and duties set forth in this section, and shall be
12 consistent with the spirit and intent of this chapter.

13 (e) An authorizing entity, members of the board of an
14 authorizer acting in their official capacity, and employees or
15 agents of an authorizer are immune from civil and criminal
16 liability with respect to all activities related to a public
17 charter school authorized by that entity, except for any acts or
18 omissions constituting wilful misconduct.

19 (f) An authorizer shall not provide technical support to a
20 charter school it authorizes in cases where the technical
21 support will impact any authorizer decision related to the



1 authorization, renewal, revocation, or nonrenewal of the charter
2 school.

3 **§ -6 Principles and standards for charter authorizing.**

4 All authorizers shall be required to develop and maintain
5 chartering policies and practices consistent with nationally
6 recognized principles and standards for quality charter
7 authorizing in all major areas of authorizing responsibility
8 including:

- 9 (1) Organizational capacity and infrastructure;
10 (2) Soliciting and evaluating charter applications;
11 (3) Performance contracting;
12 (4) Ongoing public charter school oversight and
13 evaluation; and
14 (5) Charter renewal decision-making.

15 Authorizers shall carry out all their duties under this
16 chapter in a manner consistent with nationally recognized
17 principles and standards and with the spirit and intent of this
18 chapter. Evidence of material or persistent failure to do so
19 shall constitute grounds for losing charter authorizing powers.

20 **§ -7 Authorizer reporting.** Every authorizer shall be
21 required to submit to the board and the legislature an annual
22 report summarizing:



- 1 (1) The authorizer's strategic vision for chartering and
2 progress toward achieving that vision;
- 3 (2) The academic and financial performance of all
4 operating public charter schools overseen by the
5 authorizer, according to the performance expectations
6 for public charter schools set forth in this chapter;
- 7 (3) The status of the authorizer's public charter school
8 portfolio, identifying all public charter schools in
9 each of the following categories: approved (but not
10 yet open), not approved, operating, renewed,
11 transferred, revoked, not renewed, voluntarily closed,
12 or never opened;
- 13 (4) The authorizing functions provided by the authorizer
14 to the public charter schools under its purview,
15 including the authorizer's operating costs and
16 expenses detailed in annual audited financial
17 statements that conform with generally accepted
18 accounting principles;
- 19 (5) The services purchased from the authorizer by the
20 public charter schools under its purview, including an
21 itemized accounting of the actual costs of these
22 services, as required in section -10;



1 (6) A line-item breakdown of the federal funds received by
2 the department and distributed by the authorizer to
3 public charter schools under its control; and

4 (7) Any concerns regarding equity and recommendations to
5 improve access to and distribution of federal funds to
6 public charter schools.

7 § -8 **Conflict of interests.** No employee, trustee,
8 agent, or representative of an authorizer may simultaneously
9 serve as an employee, trustee, agent, representative, vendor, or
10 contractor of a public charter school authorized by that
11 authorizer.

12 § -9 **Exclusivity of authorizing functions and rights.**
13 No governmental or other entity, other than those expressly
14 granted chartering authority as set forth in this chapter, may
15 assume any charter authorizing function or duty in any form,
16 unless expressly allowed by law.

17 § -10 **Services purchased from authorizer; itemized**
18 **accounting.** (a) No public charter school shall be required to
19 purchase services from its authorizer as a condition of charter
20 approval or renewal or of executing a charter contract, nor may
21 any such condition be implied.

1 (b) A public charter school may, at its discretion, choose
2 to purchase services from its authorizer. In such event, the
3 public charter school and authorizer shall execute an annual
4 service contract, separate from the charter contract, stating
5 the parties' mutual agreement concerning any services to be
6 provided by the authorizer and any service fees to be charged to
7 the public charter school. An authorizer may not charge more
8 than market rates for services provided to a public charter
9 school.

10 (c) Within days after the end of each fiscal year,
11 each authorizer shall provide to each public charter school it
12 oversees an itemized accounting of the final invoiced amount of
13 services purchased by the public charter school from the
14 authorizer. Any difference between the amount initially charged
15 to the public charter school and the final invoiced amount shall
16 be reconciled and paid to the owed party. If either party
17 disputes the itemized accounting, any charges included in the
18 accounting, or charges to either party, the disputing party is
19 entitled to request a third-party review at its own expense.
20 The review shall be conducted by the board whose determination
21 shall be final.



1 § -11 Oversight of public charter school authorizers.

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

5 (b) In accordance with section -7, every authorizer
6 shall submit to the board and the legislature an annual report.
7 The board shall, by of each year, communicate to every
8 authorizer the requirements for the format, content, and
9 submission of the annual report.

10 (c) Persistently unsatisfactory performance of an
11 authorizer's portfolio of public charter schools, a pattern of
12 well-founded complaints about the authorizer or its public
13 charter schools, or other objective circumstances may trigger a
14 special review by the board. In reviewing or evaluating the
15 performance of authorizers the board shall apply nationally
16 recognized principles and standards for quality charter
17 authorizing. If at any time the board finds that an authorizer
18 is not in compliance with an existing charter contract, its
19 authorizing contract with the board, or the requirements of all
20 authorizers under this chapter, the board shall notify the
21 authorizer in writing of the identified problems, and the



1 authorizer shall have reasonable opportunity to respond to and
2 remedy the problems.

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

11 (e) In the event of revocation of any authorizer's
12 chartering authority, the board shall manage the timely and
13 orderly transfer of each charter contract held by that
14 authorizer to another authorizer in the State, with the mutual
15 agreement of each affected public charter school and proposed
16 new authorizer. The new authorizer shall enter into a new
17 contract with the charter school for the remainder of the
18 charter term.

19 § -12 Charter school governing boards; powers and
20 duties. (a) No more than thirty per cent of the members of a
21 governing board shall be employees of a school or relatives of
22 employees of a school under the jurisdiction of that governing



1 board; provided that the chief executive officer, chief
2 administrative officer, executive director, or otherwise
3 designated head of a charter school may serve as an ex officio,
4 non-voting member of the governing board. In selecting members,
5 consideration shall be given to persons who:

6 (1) Demonstrate an understanding of best practices of non-
7 profit governance;

8 (2) Possess strong financial management, academic
9 oversight, human resources, and fundraising
10 experience; and

11 (3) Provide the governing board with a diversity of
12 perspective and a level of objectivity that accurately
13 represent the interests of the charter school students
14 and the surrounding community.

15 (b) No employee of a charter school or relative of an
16 employee of a charter school may serve as the chair of the
17 governing board of that charter school; provided that an
18 authorizer may grant an exemption from the provisions of this
19 subsection based upon a determination by the authorizer that an
20 exemption is in the best interest of the charter school.

21 (c) The governing board shall be the independent governing
22 body of its charter school and shall have oversight over and be



1 responsible for the financial, organizational, and academic
2 viability of the charter school, implementation of the charter,
3 and the independent authority to determine the organization and
4 management of the school, the curriculum, virtual education, and
5 compliance with applicable federal and state laws. The
6 governing board shall have the power to negotiate supplemental
7 collective bargaining agreements with the exclusive
8 representatives of their employees.

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

19 (e) Charter schools and their governing boards shall be
20 exempt from the requirements of chapters 91 and 92. The
21 governing boards shall:



- 1 (1) Make available the notices and agendas of public
2 meetings:
- 3 (A) At a publicly accessible area in the governing
4 board's office and the authorizer's office so as
5 to be available for review during regular
6 business hours; and
- 7 (B) On the governing board's or charter school's
8 internet website, if applicable, and the
9 authorizer's internet website not less than six
10 calendar days prior to the public meeting, unless
11 a waiver is granted by the authorizer or
12 authorizer's designee in the case of an
13 emergency; and
- 14 (2) Make available the minutes from public meetings within
15 thirty days and maintain a list of the current names
16 and contact information of the governing board's
17 members and officers:
- 18 (A) In the governing board's office and the
19 authorizer's office so as to be available for
20 review during regular business hours; and



1 (B) On the governing board's or charter school's
2 internet website, if applicable, and the
3 authorizer's internet website.

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

7 (g) The State shall afford the governing board of any
8 charter school the same protections as the State affords the
9 board.

10 (h) For purposes of this section, "employees" shall
11 include the chief executive officer, chief administrative
12 officer, executive director, or otherwise designated head of a
13 school.

14 § -13 Start-up charter schools; establishment. (a) New
15 start-up charter schools may be established pursuant to this
16 section.

17 (b) Any community, group of teachers, group of teachers
18 and administrators, or nonprofit organization may submit a
19 letter of intent to an authorizer to form a charter school,
20 establish a governing board as its governing body, and develop
21 an application pursuant to subsection (d).



1 (c) The start-up charter school application process and
2 schedule shall be determined by the authorizer, and shall
3 provide for and include the following elements:

4 (1) The submission of a letter of intent to operate a
5 start-up charter school;

6 (2) The timely transmittal of the application form and
7 completion guidelines to the governing board;

8 (3) The timely submission of a completed application to
9 the authorizer;

10 (4) The timely review of the application by the authorizer
11 for completeness, and notification by the authorizer
12 to the governing board that the application is
13 complete;

14 (5) Upon receipt of a completed application, the convening
15 of the commission, if applicable, by the commission
16 chairperson to begin review of the application;

17 (6) Following the submission of an application, issuance
18 of a charter or denial of the application by the
19 authorizer or if submitted to the commission, by
20 majority vote;

21 (7) A provision for a final date by which a decision must
22 be made, upon receipt of a complete application; and



1 (8) A provision that no start-up charter school may begin
2 operation before obtaining authorizer approval of its
3 charter and charter contract.

4 (d) An application to become a start-up charter school
5 shall meet the requirements of this subsection and section

6 -25. The application shall include the following:

7 (1) A description of employee rights and management issues
8 and a framework for addressing those issues that
9 protects the rights of employees;

10 (2) A plan for identifying, recruiting, and retaining
11 highly qualified instructional faculty;

12 (3) A plan for identifying, recruiting, and selecting
13 students that is not exclusive, elitist, or
14 segregationist;

15 (4) The curriculum and instructional framework to be used
16 to achieve student outcomes, including an assessment
17 plan;

18 (5) A plan for the assessment of student, administrative
19 support, and teaching personnel performance that:

20 (A) Recognizes the interests of the general public;



- 1 (B) Incorporates or exceeds the educational content
- 2 and performance standards developed by the
- 3 department for the public school system;
- 4 (C) Includes a system of faculty and staff
- 5 accountability that holds faculty and staff
- 6 individually and collectively accountable for
- 7 their performance, and that is at least
- 8 equivalent to the average system of
- 9 accountability in public schools throughout the
- 10 State; and
- 11 (D) Provides for program audits and annual financial
- 12 audits;
- 13 (6) A governance structure for the charter school that
- 14 incorporates a conflict of interest policy and a plan
- 15 for periodic training to carry out the duties of
- 16 governing board members;
- 17 (7) A description of the constitution of the governing
- 18 board, terms of governing board members, and the
- 19 process by which governing board members were
- 20 selected;
- 21 (8) A financial plan based on the most recent fiscal
- 22 year's per-pupil charter school allocation that



1 demonstrates the ability to meet the financial
2 obligations of one-time, start-up costs and ongoing
3 costs such as monthly payrolls, faculty recruitment,
4 professional development, and facilities costs; and

5 (9) A facilities plan.

6 (e) Any applicant whose charter application is denied by
7 the authorizer shall not be allowed to amend or resubmit the
8 application to the authorizer during a given cycle, as defined
9 by the authorizer; provided that an applicant shall have the
10 right to appeal the authorizer's denial of its application
11 pursuant to section -15.

12 (f) In reviewing an application for a charter under this
13 section, an authorizer shall take into consideration the
14 constitution of the applicant's governing board, terms of
15 governing board members, and the process by which governing
16 board members were selected.

17 § -14 Conversion charter schools; establishment. (a) A
18 conversion charter school may be established pursuant to this
19 section.

20 (b) Any department school, school community council, group
21 of teachers, group of teachers and administrators, or nonprofit
22 organization may submit a letter of intent to an authorizer to

1 convert a department school to a charter school, establish a
2 governing board as its governing body, and develop an
3 application pursuant to subsection (d).

4 (c) The conversion charter school application process and
5 schedule shall be determined by the authorizer, and shall
6 provide for and include the following elements:

7 (1) The submission of a letter of intent to convert to a
8 charter school;

9 (2) The timely transmittal of the application form and
10 completion guidelines to the governing board;

11 (3) The timely submission of a completed application to
12 the authorizer; provided that the application shall
13 include certification and documentation that the
14 application was approved by a majority of the votes
15 cast by existing administrative, support, teaching
16 personnel, and parents of students at the existing
17 department school; provided that:

18 (A) This vote shall be considered by the authorizer
19 to be the primary indication of the existing
20 administrative, support, and teaching personnel,
21 and parents' approval to convert to a charter
22 school;



- 1 (B) The balance of stakeholders represented in the
2 vote and the broad support received in support of
3 the conversion shall be a key factor in an
4 authorizer's decision to award a charter; and
- 5 (C) A breakdown of the number of administrative,
6 support, and teacher personnel, and parents that
7 actually participated in the vote shall be
8 provided to the authorizer;
- 9 (4) The timely review of the application by the authorizer
10 for completeness, and notification by the authorizers
11 to the governing board that the application is
12 complete;
- 13 (5) Upon receipt of a completed application, the convening
14 of the commission, if applicable, by the commission
15 chairperson to begin review of the application;
- 16 (6) Following the submission of an application, issuance
17 of a charter or denial of the application by the
18 authorizer or if submitted to the commission, by
19 majority vote;
- 20 (7) A provision for a final date by which a decision must
21 be made upon receipt of a complete application; and



1 (8) A provision that no conversion charter school may
2 begin operation before obtaining authorizer approval
3 of its charter and charter contract.

4 (d) An application to become a conversion charter school
5 shall meet the requirements of this subsection and section

6 -25. The application shall include the following:

7 (1) A description of employee rights and management issues
8 and a framework for addressing those issues that
9 protects the rights of employees;

10 (2) A plan for identifying, recruiting, and retaining
11 highly qualified instructional faculty;

12 (3) A plan for identifying, recruiting, and selecting
13 students that is not exclusive, elitist, or
14 segregationist;

15 (4) The curriculum and instructional framework to be used
16 to achieve student outcomes, including an assessment
17 plan;

18 (5) A plan for the assessment of student, administrative
19 support, and teaching personnel performance that:

20 (A) Recognizes the interests of the general public;

- 1 (B) Incorporates or exceeds the educational content
2 and performance standards developed by the
3 department for the public school system;
- 4 (C) Includes a system of faculty and staff
5 accountability that holds faculty and staff
6 individually and collectively accountable for
7 their performance, and that is at least
8 equivalent to the average system of
9 accountability in public schools throughout the
10 State; and
- 11 (D) Provides for program audits and annual financial
12 audits;
- 13 (6) A governance structure for the charter school that
14 incorporates a conflict of interest policy and a plan
15 for periodic training to carry out the duties of
16 governing board members;
- 17 (7) A description of the constitution of the governing
18 board, terms of governing board members, and the
19 process by which governing board members were
20 selected;
- 21 (8) A financial plan based on the most recent fiscal
22 year's per-pupil charter school allocation that



1 demonstrates the ability to meet the financial
2 obligations of one-time, start-up costs and ongoing
3 costs such as monthly payrolls, faculty recruitment,
4 professional development, and facilities costs; and

5 (9) A facilities plan.

6 (e) A nonprofit organization may submit a letter of intent
7 to an authorizer to convert a department school to a conversion
8 charter school, operate and manage the school, establish a
9 governing board as its governing body, and develop an
10 application pursuant to subsection (d); provided that:

11 (1) As the governing body of the conversion charter
12 school, the governing board shall be the board of
13 directors of the nonprofit organization and shall not
14 be selected pursuant to section -12. The nonprofit
15 organization may also appoint advisory groups of
16 community representatives for each school managed by
17 the nonprofit organization; provided that these groups
18 shall not have governing authority over the school and
19 shall serve only in an advisory capacity to the
20 nonprofit organization;

21 (2) The application for each conversion charter school to
22 be operated by the nonprofit organization shall be

1 formulated, developed, and submitted by the nonprofit
2 organization, and shall be approved by a majority of
3 the votes cast by existing administrative, support,
4 and teaching personnel, and parents of the students of
5 the existing department school; provided that:

6 (A) This vote shall be considered by the authorizer
7 to be the primary indication of the existing
8 administrative, support, and teaching personnel,
9 and parents' approval to convert to a charter
10 school;

11 (B) The balance of stakeholders represented in the
12 vote and the broad support received in support of
13 the conversion shall be a key factor in an
14 authorizer's decision to award a charter; and

15 (C) A breakdown of the number of administrative,
16 support, and teacher personnel, and parents that
17 actually participated in the vote shall be
18 provided to the authorizer;

19 (3) The board of directors of the nonprofit organization,
20 as the governing body for the conversion charter
21 school that it operates and manages, shall have the



- 1 same protections that are afforded to the board in its
2 role as the conversion charter school governing body;
- 3 (4) Any conversion charter school that is managed and
4 operated by a nonprofit organization shall be eligible
5 for the same federal and state funding as other public
6 schools; provided that the nonprofit organization
7 makes a minimum annual contribution of \$1 per pupil
8 toward the operation of a conversion charter school
9 for every \$4 per pupil allocated by the department of
10 budget and finance for the operation of the conversion
11 charter school; provided further that in no event
12 shall the nonprofit organization be required to
13 contribute more than the total required contribution
14 per pupil per year. As used in this paragraph, "total
15 required contribution" means:
- 16 (A) \$1,650 for school years 2012-2013 through 2015-
17 2016; and
- 18 (B) \$1,815 for school years 2016-2017 through 2020-
19 2021; and
- 20 (5) If, at any time, the board of directors of the
21 nonprofit organization governing the conversion
22 charter school votes to discontinue its relationship



1 with the charter school, the charter school may submit
2 a revised application to the authorizer to continue as
3 a conversion school without the participation of the
4 nonprofit organization.

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

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

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

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

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



1 (g) Any public school or schools, programs, or sections of
2 existing public school populations that are part of a separate
3 Hawaiian language immersion program using existing public school
4 facilities may submit a letter of intent to an authorizer to
5 form a conversion charter school pursuant to this section.

6 (h) In reviewing an application for a charter under this
7 section, an authorizer shall take into consideration the
8 constitution of the applicant's governing board, terms of
9 governing board members, and the process by which governing
10 board members were selected.

11 (i) In the event of a conflict between the provisions in
12 this section and other provisions in this chapter, this section
13 shall control.

14 (j) Any applicant whose charter application is denied by
15 the authorizer shall not be allowed to amend or resubmit the
16 application to the authorizer during a given cycle, as defined
17 by the authorizer, except as provided in subsection (e) (5);
18 provided that an applicant shall have the right to appeal the
19 authorizer's denial of its application pursuant to section

20 -15.

21 § -15 Appeals; charter school applications,
22 reauthorizations, or revocations. The board shall have the



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

14 § -16 Performance framework. (a) The performance
15 provisions within the charter contract shall be based on a
16 performance framework that clearly sets forth the academic and
17 operational performance indicators, measures, and metrics that
18 will guide the authorizer's evaluations of each public charter
19 school. The performance framework, as established by the
20 authorizer, shall include indicators, measures, and metrics for,
21 at a minimum:

22 (1) Student academic proficiency;



- 1 (2) Student academic growth;
- 2 (3) Achievement gaps in proficiency and growth between
- 3 major student subgroups;
- 4 (4) Attendance;
- 5 (5) Recurrent enrollment from year to year;
- 6 (6) Postsecondary readiness, as applicable for high
- 7 schools;
- 8 (7) Financial performance and sustainability;
- 9 (8) Performance and stewardship, including compliance with
- 10 all applicable laws, rules, and terms of the charter
- 11 contract; and
- 12 (9) Organizational viability.
- 13 (b) Annual performance targets shall be set by each public
- 14 charter school in conjunction with its authorizer, and shall be
- 15 designed to help each school meet applicable federal, state, and
- 16 authorizer expectations.
- 17 (c) The performance framework shall allow the inclusion of
- 18 additional rigorous, valid, and reliable indicators proposed by
- 19 a public charter school to augment external evaluations of its
- 20 performance; provided that the authorizer approves the quality
- 21 and rigor of such school-proposed indicators, and the indicators



1 are consistent with the purposes of this chapter and the charter
2 contract.

3 (d) The performance framework shall require the
4 disaggregation of all student performance data by major student
5 subgroups, including gender, race, poverty status, special
6 education status, English as a second language status, and
7 gifted and talented status.

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

12 (f) Multiple schools operating under a single charter
13 contract or overseen by a single governing board shall be
14 required to report their performance as separate, individual
15 charter schools, and each charter school shall be held
16 independently accountable for its performance.

17 § -17 Ongoing oversight and corrective actions. (a) An
18 authorizer shall continually monitor the performance and legal
19 compliance of the public charter schools it oversees, including
20 collecting and analyzing data to support ongoing evaluation
21 according to the charter contract. Every authorizer shall have
22 the authority to conduct or require oversight activities that



1 enable the authorizer to fulfill its responsibilities under this
2 chapter, including conducting appropriate inquiries and
3 investigations, so long as those activities are consistent with
4 the intent of this chapter and adhere to the terms of the
5 charter contract.

6 (b) Each authorizer shall annually publish and provide, as
7 part of its annual report to the board and the legislature, a
8 performance report for each public charter school it oversees,
9 in accordance with the performance framework set forth in the
10 charter contract and section -16. The authorizer may require
11 each public charter school it oversees to submit an annual
12 report to assist the authorizer in gathering complete
13 information about each school, consistent with the charter
14 contract.

15 (c) In the event that a public charter school's
16 performance or legal compliance appears unsatisfactory, the
17 authorizer shall promptly notify the public charter school of
18 the perceived problem and provide reasonable opportunity for the
19 charter school to remedy the problem, unless the problem
20 warrants revocation in which case the revocation timeframes set
21 forth in section -18 shall apply.

1 (d) Notwithstanding section -18 to the contrary, every
2 authorizer shall have the authority to take appropriate
3 corrective actions or exercise sanctions short of revocation in
4 response to apparent deficiencies in public charter school
5 performance or legal compliance. Such actions or sanctions may
6 include, if warranted, requiring a school to develop and execute
7 a corrective action plan within a specified timeframe.

8 (e) If there is an immediate concern for student or
9 employee health or safety at a charter school, the authorizer,
10 in consultation with the commission, may adopt an interim
11 restructuring plan that may include the appointment of an
12 interim governing board, a governing board chairperson, or a
13 principal to temporarily assume operations of the school;
14 provided that if possible without further jeopardizing the
15 health or safety of students and employees, the charter school's
16 stakeholders and community are first given the opportunity to
17 elect a new governing board which shall appoint a new interim
18 principal.

19 The board shall have the authority to direct the authorizer
20 to take appropriate action to immediately address serious health
21 and safety issues that may exist at a charter school in order to



1 ensure the health and safety of students and employees and
2 mitigate significant liability to the State.

3 § -18 Renewals, revocations, and nonrenewals. (a) A
4 charter contract may be renewed for successive five-year terms
5 of duration, although an authorizer may vary the terms based on
6 performance, demonstrated capacities, and particular
7 circumstances of each charter school. An authorizer may grant a
8 renewal of a charter contract with specific conditions for
9 necessary improvements to a charter school.

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



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

3 (1) Present additional evidence, beyond the data contained
4 in the performance report, supporting its case for
5 charter renewal;

6 (2) Describe improvements undertaken or planned for the
7 school; and

8 (3) Detail the charter school's plans for the next charter
9 term.

10 (d) The renewal application guidance shall include or
11 refer explicitly to the criteria that will guide the
12 authorizer's renewal decisions, which shall be based on the
13 charter contract and be consistent with this chapter.

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

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



- 1 (1) Ground its decisions in evidence of the school's
2 performance over the term of the charter contract in
3 accordance with the performance framework set forth in
4 the charter contract;
- 5 (2) Ensure that data used in making the renewal decisions
6 are available to the charter school and the public;
7 and
- 8 (3) Provide a public report summarizing the evidence and
9 basis for each decision.
- 10 (g) A charter contract may be revoked at any time or not
11 renewed if the authorizer determines that the charter school did
12 any of the following or otherwise failed to comply with the
13 provisions of this chapter:
- 14 (1) Committed a material and substantial violation of any
15 of the terms, conditions, standards, or procedures
16 required under this chapter or the charter contract;
- 17 (2) Failed to meet or make sufficient progress toward
18 performance expectations set forth in the contract;
- 19 (3) Failed to meet generally accepted standards of fiscal
20 management; or
- 21 (4) Substantially violated any material provision of law
22 from which the charter school is not exempted.



1 (h) An authorizer shall develop revocation and non-renewal
2 processes that:

3 (1) Provide the charter holders with a timely notification
4 of the prospect of revocation or non-renewal and the
5 reasons for such possible closure;

6 (2) Allow the charter holders a reasonable amount of time
7 in which to prepare a response;

8 (3) Provide the charter holders with an opportunity to
9 submit documents and give testimony challenging the
10 rationale for closure and supporting the continuation
11 of the school at an orderly proceeding held for that
12 purpose;

13 (4) Allow charter holders access to representation by
14 counsel and to call witnesses on their behalf;

15 (5) Permit the recording of proceedings described in
16 paragraph (3); and

17 (6) After a reasonable period for deliberation, require a
18 final determination to be made and conveyed in writing
19 to the charter holders.

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



1 (j) Within days of taking action to renew, not
2 renew, or revoke a charter, the authorizer shall report to the
3 board the action taken, and shall simultaneously provide a copy
4 of the report to the charter school. The report shall set forth
5 the action taken and reasons for the decision and assurances as
6 to compliance with all the requirements set forth in this
7 chapter.

8 § -19 School closure and dissolution. (a) Prior to any
9 public charter school closure decision, an authorizer shall have
10 developed a public charter school closure protocol to ensure
11 timely notification to parents, orderly transition of students
12 and student records to new schools, and proper disposition of
13 school funds, property, and assets in accordance with the
14 requirements of this chapter. The protocol shall specify tasks,
15 timelines, and responsible parties, including delineating the
16 respective duties of the school and the authorizer. In the
17 event of a public charter school closure for any reason, the
18 authorizer shall oversee and work with the closing school to
19 ensure a smooth and orderly closure and transition for students
20 and parents, as guided by the closure protocol.

21 (b) In the event of a public charter school closure for
22 any reason, the assets of the school, excluding facilities,



1 shall be distributed first to satisfy outstanding payroll
2 obligations for employees of the school, then to creditors of
3 the school, and then to the state treasury to the credit of the
4 general fund. If the assets of the school are insufficient to
5 pay all parties to whom the school owes compensation, the
6 prioritization of the distribution of assets may be determined
7 by decree of a court of law.

8 (c) In the event of a public charter school closure for
9 any reason, other public charter schools shall have the right of
10 first refusal for the closed public charter school's facilities.
11 If no other public charter school exercises the right of first
12 refusal, the facilities shall revert back to the department and
13 the State.

14 § -20 Charter transfers. Transfer of a charter
15 contract, and of oversight of that public charter school, from
16 one authorizer to another before the expiration of the charter
17 term shall not be permitted except by special petition to the
18 board by a public charter school or its authorizer. The board
19 shall review such petitions on a case-by-case basis and may
20 grant transfer requests in response to special circumstances and
21 evidence that such a transfer would serve the best interests of
22 the public charter school's students.



1 § -21 Annual board report. On or before of
2 each year, the board shall issue to the governor, the
3 legislature, and the public, an annual report on the State's
4 public charter schools, drawing from the annual reports
5 submitted by every authorizer as well as any additional relevant
6 data compiled by the board, for the school year ending in the
7 preceding calendar year. The annual report shall include:

8 (1) A comparison of the performance of public charter
9 school students with the performance of academically,
10 ethnically, geographically, and economically
11 comparable groups of students in public schools
12 governed by chapter 302A;

13 (2) The board's assessment of the successes, challenges,,
14 and areas for improvement in meeting the purposes of
15 this chapter, including the board's assessment of the
16 sufficiency of funding for public charter schools, and
17 any suggested changes in state law or policy necessary
18 to strengthen the State's public charter schools;

19 (3) A line-item breakdown of all federal funds received by
20 the department and distributed to authorizers; and

1 (4) Any concerns regarding equity and recommendations to
2 improve access to and distribution of federal funds to
3 public charter schools.

4 § -22 Board as final arbitrator. (a) The board shall
5 serve as the final arbitrator of any dispute between an
6 authorizer, charter school, governing board, and the department.

7 (b) A party shall not be entitled to a hearing before the
8 board under this section until it has exhausted all available
9 administrative remedies.

10 (c) The board shall adopt applicable rules and procedures
11 pursuant to chapter 91 for implementing this section.

12 § -23 Minimum educational data reporting standards. The
13 board shall establish educational reporting standards that shall
14 include minimum standards for reporting fiscal, personnel, and
15 student data, by means of electronic transfer of data files from
16 charter schools to the department. The minimum standards
17 established by the board shall include but not be limited to
18 data required for the department, as the state education agency,
19 to meet all applicable federal reporting requirements.

20 § -24 Occupancy and use of facilities of public schools.

21 (a) When the department considers whether to close any
22 particular public school, the department shall submit a notice



1 of possible availability of a public school or notice of vacancy
2 of a public school to the board pursuant to section
3 302A-1151.5(b); provided that the department has not elected to
4 use the public school to support education programs.

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

10 (1) The State may reclaim some or all of the buildings or
11 facilities if it demonstrates a tangible and
12 imperative need for such reclamation; and

13 (2) The State and the conversion charter school
14 voluntarily enter into an agreement detailing the
15 portion of those buildings or facilities that shall be
16 reclaimed by the State and a timetable for the
17 reclamation. If a timetable cannot be reached, the
18 State may petition the board for the reclamation, and
19 the board may grant the petition only to the extent
20 that it is not possible for the conversion charter
21 school and the State to jointly occupy or use the
22 buildings or facilities.



1 (c) Upon receipt of a notice pursuant to section
2 302A-1151.5(b), the board shall solicit applications from
3 charter schools interested in using and occupying all or
4 portions of the facilities of the public school by:

5 (1) Promptly notifying all charter schools that the public
6 school is being considered for closure; and

7 (2) Affording each charter school an opportunity to submit
8 an application with a written explanation and
9 justification of why the charter school should be
10 considered for possible occupancy and use of the
11 facilities of the public school.

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

15 (1) Provide a written response to each charter school's
16 application after each application has been fully
17 considered;

18 (2) Compile a prioritized list of charter schools; and

19 (3) Make a final determination of which charter school, if
20 any, shall be authorized to use and occupy the public
21 school facilities.



1 (e) Upon the selection of a charter school to use a vacant
2 school facility or portion of a school facility, the department
3 and the charter school's authorizer shall enter into necessary
4 agreements within ninety days of the selection to carry out the
5 purposes of this section; provided that any agreement between
6 the authorizer and the department shall stipulate that a charter
7 school that uses and occupies a public school facility or
8 portion of a public school facility shall be responsible for the
9 full or pro rata share of the repair and maintenance costs for
10 that facility or portion of the facility, as the case may be.

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

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



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

4 § -25 Exemptions from state laws. (a) Charter schools
5 shall be exempt from chapters 91 and 92 and all other state laws
6 in conflict with this chapter, except those regarding:

7 (1) Collective bargaining under chapter 89; provided that:

8 (A) The exclusive representatives as defined in
9 chapter 89 and the governing board of the charter
10 school may enter into supplemental agreements
11 that contain cost and noncost items to facilitate
12 decentralized decision-making;

13 (B) The agreements shall be funded from the current
14 allocation or other sources of revenue received
15 by the charter school; provided that collective
16 bargaining increases for employees shall be
17 allocated by the department of budget and finance
18 to the charter school's authorizer for
19 distribution to the charter school; and

20 (C) These supplemental agreements may differ from the
21 master contracts negotiated with the department;

22 (2) Discriminatory practices under section 378-2; and



1 (3) Health and safety requirements.

2 (b) Charter schools, the commission, and authorizers shall
3 be exempt from chapter 103D, but shall develop internal policies
4 and procedures for the procurement of goods, services, and
5 construction, consistent with the goals of public accountability
6 and public procurement practices. Charter schools, the
7 commission, and authorizers are encouraged to use the provisions
8 of chapter 103D where possible; provided that the use of one or
9 more provisions of chapter 103D shall not constitute a waiver of
10 the exemption from chapter 103D and shall not subject the
11 charter school, commission, or authorizer to any other provision
12 of chapter 103D. Charter schools, the commission, and
13 authorizers shall account for funds expended for the procurement
14 of goods and services, and this accounting shall be available to
15 the public.

16 (c) Any charter school, prior to the beginning of the
17 school year, may enter into an annual contract with any
18 department for centralized services to be provided by that
19 department.

20 (d) Notwithstanding any law to the contrary, as public
21 schools and entities of the State, a charter school, including



1 its governing board, the commission, and any authorizer may not
2 bring suit against any other entity or agency of the State.

3 § -26 Civil service status; employee rights. (a) Civil
4 service employees of department schools shall retain their civil
5 service status upon the conversion of their school to a
6 conversion charter school. Positions in a conversion charter
7 school that would be civil service in a department public school
8 shall be civil service positions and subject to chapter 76. An
9 employee with civil service status at a conversion charter
10 school who transfers, is promoted, or takes a voluntary demotion
11 to another civil service position shall be entitled to all of
12 the rights, privileges, and benefits of continuous,
13 uninterrupted civil service. Civil service employees of a
14 conversion charter school shall have civil service status in the
15 department's civil service system and shall be entitled to all
16 rights, privileges, and benefits as other civil service
17 employees employed by the department. Exempt employees as
18 provided in section 76-16(b)(11)(B) of a conversion charter
19 school shall have support services personnel status in the
20 department's support services personnel system and shall be
21 entitled to all rights, privileges, and benefits as other exempt



1 employees employed by the department in their support services
2 personnel system.

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

9 (c) The department, to the extent possible, shall provide
10 its position listings to the commission, authorizers, and any
11 interested governing board of any charter school.

12 (d) The department, in conjunction with the commission and
13 authorizers, shall facilitate and encourage the movement of
14 instructional personnel between the department and charter
15 schools; provided that:

16 (1) Comparable and verifiable professional development and
17 employee evaluation standards and practices, as
18 determined and certified by the commission or
19 authorizer, are in place in charter schools for
20 instructional staff;

21 (2) Licensed charter school teachers, as determined by the
22 Hawaii teacher standards board, who are not yet



1 tenured in the department and are entering or
2 returning to the department after full-time employment
3 of no less than one full school year at a charter
4 school, shall be subject to no more than one year of
5 probationary status; and

6 (3) Tenured department licensed teachers, as determined by
7 the department, who transfer to charter schools shall
8 not be required to serve a probationary period.

9 (e) The department shall establish a process that permits
10 employees of department public schools that become conversion
11 charter schools pursuant to section -14 to transfer to a
12 department public school governed by chapter 302A.

13 § -27 Administration of workers' compensation. The
14 department of human resources development shall administer
15 workers' compensation claims for employees of charter schools,
16 who shall be covered by the same self-insured workers'
17 compensation system as other public employees. The department
18 of human resources development shall process, investigate, and
19 make payments on claims; provided that:

20 (1) Charter schools shall compile the preliminary claim
21 form and forward it to the department of human
22 resources development; and



1 (2) The department of human resources development shall
2 receive no more than 0.07 per cent of the EDN 600
3 appropriation to process these workers' compensation
4 claims.

5 § -28 **Funding and finance.** (a) Beginning with fiscal
6 year 2012-2013, and each fiscal year thereafter, the non-
7 facility general fund per-pupil funding request for charter
8 school students shall be the same as the general fund per-pupil
9 amount to the department in the most recently approved executive
10 budget recommendation for the department and shall be based upon
11 reasonable projected enrollment figures for all charter schools.
12 The general fund per-pupil request for each regular education
13 and special education student shall:

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

20 (2) Exclude fringe benefit costs and debt service.

21 (b) Fringe benefit costs for charter school employees,
22 regardless of the payroll system utilized by a charter school,



1 shall be included in the department of budget and finance's
2 annual budget request. No fringe benefit costs shall be charged
3 directly to or deducted from the charter school per-pupil
4 allocations.

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

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

11 (c) Notwithstanding any law to the contrary, to ensure
12 non-facility per-pupil general fund amounts allocated for the
13 department and charter school students are equal on an
14 annualized fiscal year basis, each year the director of finance
15 shall:

16 (1) Determine the sum of general fund appropriations made
17 for department and charter school student non-facility
18 costs described in subsections (a) and (b);

19 (2) Determine the sum of department and charter school
20 student enrollment based on reviewed and verified
21 student enrollment counts as of October 15;



1 (3) Determine a per-pupil amount by dividing the sum of
2 general fund appropriations determined under paragraph
3 (1) by the sum of student enrollment determined under
4 paragraph (2);

5 (4) Transfer a general fund amount between the department
6 and charter schools that will provide each with a per-
7 pupil allocation equal to the amount determined on an
8 annualized fiscal year basis under paragraph (3) by
9 November 15; and

10 (5) Annually account for all calculations and transfers
11 made pursuant to this subsection in a report to the
12 legislature, governor, department, and charter schools
13 by November 30.

14 This subsection shall not limit the ability of the director of
15 finance to modify or amend any allotment pursuant to chapter 37.

16 (d) Charter schools shall be eligible for all federal
17 financial support to the same extent as all other public
18 schools. The department shall provide the commission and
19 authorizers with all state-level federal grant proposals
20 submitted by the department that include charter schools as
21 potential recipients and timely reports on state-level federal
22 grants received for which charter schools may apply or are

1 entitled to receive. Federal funds received by the department
2 for charter schools shall be transferred to authorizers for
3 distribution to the charter schools they authorize in accordance
4 with the federal requirements. If administrative services
5 related to federal grants and subsidies are provided to the
6 charter school by the department, the charter school shall
7 reimburse the department for the actual costs of the
8 administrative services in an amount that shall not exceed six
9 and one-half per cent of the charter school's federal grants and
10 subsidies.

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



1 All additional funds generated by the governing boards,
2 that are not from a supplemental grant, shall be held separate
3 from allotted funds and may be expended at the discretion of the
4 governing boards.

5 (e) Authorizers shall calculate a general fund per-pupil
6 amount based upon the amount of general funds appropriated by
7 the legislature and released by the governor and the projected
8 enrollment amount used to calculate the general funds
9 appropriated pursuant to subsection (a).

10 Authorizers shall submit a report to the legislature no
11 later than twenty days prior to the convening of each regular
12 session that contains each charter school's current school year
13 projection that is used to submit the budget request, the
14 updated May 15 enrollment projection, the actual October 15
15 enrollment count, the authorizer's reviewed and verified
16 enrollment count, and the November 15 enrollment count.

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



- 1 (1) Provide sixty per cent of a charter school's per-pupil
2 allocation based on the charter school's projected
3 student enrollment no later than July 20 of each
4 fiscal year; provided that the charter school shall
5 have submitted to its authorizer a projected student
6 enrollment no later than May 15 of each year;
- 7 (2) Provide an additional thirty per cent of a charter
8 school's per-pupil allocation no later than December 1
9 of each year, based on the October 15 student
10 enrollment, as reviewed and verified by the
11 authorizer, only to schools in compliance with all
12 financial reporting requirements; and
- 13 (3) Retain no more than the balance of the remaining ten
14 per cent of a charter school's per-pupil allocation,
15 as a contingency balance to ensure fiscal
16 accountability and compliance, no later than June 30
17 of each year;
- 18 provided that the board may make adjustments in allocations
19 based on noncompliance with board policies made in the board's
20 capacity as the state education agency, department directives
21 made in the department's capacity as the state education agency,



1 the board's administrative procedures, and board-approved
2 accountability requirements.

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

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

9 § -29 Weighted student formula. (a) Notwithstanding
10 section -28, charter schools shall elect whether to receive
11 allocations calculated according to the department's procedures
12 and methodology used to calculate the weighted student formula
13 allocation adopted pursuant to section 302A-1303.6; provided
14 that:

15 (1) All charter schools, as a group, with each governing
16 board being accorded one vote, shall elect, by greater
17 than two-thirds agreement among the governing boards,
18 whether to receive allocations calculated through the
19 department's procedures and methodology for the
20 weighted student formula; provided that a nonprofit
21 organization that governs more than one conversion



1 charter school may cast one vote representing each
2 school it governs;

3 (2) Any election by charter schools to receive
4 allocations, or not to receive allocations, calculated
5 through the procedures and methodology for the
6 department's weighted student formula shall be made by
7 September 1 of each even-numbered year, and the
8 election shall apply to the fiscal biennium beginning
9 July 1 of the following year.

10 (b) The charter schools, through their authorizer, may
11 propose to the board an alternative weighted student formula,
12 approved by more than two-thirds of the governing boards, with
13 each governing board being accorded one vote, to be administered
14 by the commission and to apply to the per-pupil allocation for
15 charter schools.

16 § -30 Responsibilities of the department; special
17 education services. (a) The department shall collaborate with
18 the commission to develop a system of technical assistance
19 related to compliance with federal and state laws and access to
20 federal and state funds. The department and the commission
21 shall collaborate to develop a list of central services that the
22 department may offer for purchase by a charter school at an

1 annual cost to be negotiated between an individual charter
2 school and the department. The department shall enter into a
3 contract with a charter school to provide these services, which
4 shall be renegotiated on an annual basis.

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

14 If the charter school is unable to provide all of the
15 required services, then the department shall provide the student
16 with services as determined by the student's individualized
17 educational program team. The department shall collaborate with
18 the commission to develop guidelines related to the provision of
19 special education services and resources to each charter school.
20 The department shall review all of the current individualized
21 education programs of special education students enrolled in a
22 charter school and may offer staff, funding, or both, to the



1 charter school based upon a per-pupil weighted formula
2 implemented by the department and used to allocate resources for
3 special education students in the public schools.

4 § -31 **Sports.** The department shall provide students at
5 charter schools with the same opportunity to participate in
6 athletics as is provided to students at other public schools.
7 If a student at a charter school wishes to participate in a
8 sport for which there is no program at the charter school, the
9 department shall allow that student to participate in a
10 comparable program of any public school in the complex in which
11 the charter school is located."

12 SECTION 3. (a) There is established a charter school
13 administrative office, hereinafter referred to as the office,
14 which shall be attached to the department of education for
15 administrative purposes only. The office shall be administered
16 by an executive director, who shall be appointed without regard
17 to chapters 76 and 89, Hawaii Revised Statutes, by the state
18 public charter school commission based upon the recommendations
19 of an organization of charter schools operating within the State
20 or from a list of nominees submitted by the charter schools.
21 The state public charter school commission shall hire the
22 executive director, who may be contracted for a term of up to



1 four years; shall offer the executive director a written
2 contract; and may terminate the executive director's contract
3 only for cause. The executive director, with the approval of
4 the state public charter school commission, may hire necessary
5 staff without regard to chapters 76 and 89, Hawaii Revised
6 Statutes, to assist in the administration of the office.

7 (b) The executive director, under the direction of the
8 state public charter school commission, and in consultation with
9 the charter schools, shall be responsible for the internal
10 organization, operation, and management of the charter school
11 system, including:

12 (1) Preparing and executing the budget and the capital
13 improvement projects request for the charter schools,
14 including submission of the all means of finance
15 budget request that reflects all anticipated
16 expenditures to the state public charter school
17 commission, the board of education, the governor, and
18 the legislature; provided that, in preparing the
19 budget request with regard to needs-based facilities
20 funding, the executive director shall ensure that, as
21 a budget item separate from other operating costs, the
22 request is accompanied by a detailed explanation of



- 1 the formula used and a funding request breakdown by
2 school;
- 3 (2) Allocating annual appropriations to the charter
4 schools and distribution of federal funds to charter
5 schools;
- 6 (3) Complying with applicable state laws related to the
7 administration of the charter schools;
- 8 (4) Preparing contracts between the charter schools and
9 the department of education for centralized services
10 to be provided by the department of education;
- 11 (5) Preparing contracts between the charter schools and
12 other state agencies for financial or personnel
13 services to be provided by the agencies to the charter
14 schools;
- 15 (6) Providing independent analyses and recommendations on
16 charter school issues;
- 17 (7) Representing charter schools and the charter school
18 system in communications with the board of education,
19 the governor, and the legislature;
- 20 (8) Providing advocacy, assistance, and support for the
21 development, growth, progress, and success of charter
22 schools and the charter school system;



- 1 (9) Providing guidance and assistance to charter
2 applicants and charter schools to enhance the
3 completeness and accuracy of information for state
4 public charter school commission review;
- 5 (10) Assisting charter applicants and charter schools in
6 coordinating their interactions with the state public
7 charter school commission, as needed;
- 8 (11) Assisting the state public charter school commission
9 to coordinate with charter schools in state public
10 charter school commission investigations and
11 evaluations of charter schools;
- 12 (12) Serving as the conduit to disseminate communications
13 from the state public charter school commission, the
14 board of education, and the department of education to
15 all charter schools;
- 16 (13) Determining charter school system needs and
17 communicating those needs to the state public charter
18 school commission, the board of education, and the
19 department of education;
- 20 (14) Establishing a dispute resolution and mediation
21 process; and



1 (15) Upon request by one or more charter schools, assisting
2 in the negotiation of a collective bargaining
3 agreement with the exclusive representative of its
4 employees.

5 (c) The executive director shall be evaluated annually by
6 the state public charter school commission. The annual
7 evaluation shall be conducted sufficiently in advance of the end
8 of a term to provide the executive director the opportunity to
9 respond to concerns and improve performance.

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

15 (1) Shall not exceed two per cent of the annual charter
16 school general fund allocation, which shall not
17 include any funds carried over from previous years;

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

20 (3) Shall be determined annually by the state public
21 charter school commission.



1 The salaries of the executive director and staff shall be set by
2 the state public charter school commission based upon the
3 recommendations of charter schools within the State and in
4 accordance with the requirements of this subsection.

5 (e) The office shall report annually to the state public
6 charter school commission individual and aggregate expenditures
7 of charter schools, clearly distinguishing between expenditures
8 for operational purposes and for instructional purposes. The
9 office shall adopt rules to develop a standardized method for
10 charter schools to report the expenditures and to determine
11 expenditures that constitute expenditures for operational
12 expenses and expenditures for instructional purposes. If any
13 charter school fails to meet the reporting requirements under
14 this subsection, the office may retain a portion of that charter
15 school's per-pupil allocation pursuant to section -28.

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

18 (1) Vacation and sick leave accrued by employees
19 transferring to a charter school from another state
20 agency or department;

21 (2) Substitute teachers needed when a teacher is out on
22 vacation or sick leave;



1 elected to the board of trustees of the employees' retirement
 2 system under section 88-24, or the corporation board of the
 3 Hawaii health systems corporation under section 323F-3 and its
 4 regional system boards under section 323F-3.5; provided that
 5 "member" shall not include any person elected to serve on a
 6 board or commission in accordance with chapter 11."

7 SECTION 5. Section 89-6, Hawaii Revised Statutes, is
 8 amended by amending subsection (f) to read as follows:

9 "(f) The following individuals shall not be included in
 10 any appropriate bargaining unit or be entitled to coverage under
 11 this chapter:

- 12 (1) Elected or appointed official;
- 13 (2) Member of any board or commission; provided that
 14 nothing in this paragraph shall prohibit a member of a
 15 collective bargaining unit from serving on a [~~local~~
 16 ~~school~~] governing board of a charter school, on the
 17 state public charter school commission, or [the] as a
 18 charter school [review panel] authorizer established
 19 under chapter [302B,] _____;
- 20 (3) Top-level managerial and administrative personnel,
 21 including the department head, deputy or assistant to
 22 a department head, administrative officer, director,



- 1 or chief of a state or county agency or major
2 division, and legal counsel;
- 3 (4) Secretary to top-level managerial and administrative
4 personnel under paragraph (3);
- 5 (5) Individual concerned with confidential matters
6 affecting employee-employer relations;
- 7 (6) Part-time employee working less than twenty hours per
8 week, except part-time employees included in unit (5);
- 9 (7) Temporary employee of three months' duration or less;
- 10 (8) Employee of the executive office of the governor or a
11 household employee at Washington Place;
- 12 (9) Employee of the executive office of the lieutenant
13 governor;
- 14 (10) Employee of the executive office of the mayor;
- 15 (11) Staff of the legislative branch of the State;
- 16 (12) Staff of the legislative branches of the counties,
17 except employees of the clerks' offices of the
18 counties;
- 19 (13) Any commissioned and enlisted personnel of the Hawaii
20 national guard;
- 21 (14) Inmate, kokua, patient, ward, or student of a state
22 institution;



- 1 (15) Student help;
- 2 (16) Staff of the Hawaii labor relations board;
- 3 (17) Employees of the Hawaii national guard youth challenge
- 4 academy; or
- 5 (18) Employees of the office of elections."

6 SECTION 6. Section 89-10.55, Hawaii Revised Statutes, is
 7 amended by amending subsections (c) and (d) to read as follows:

8 "(c) For the purpose of negotiating a memorandum of
 9 agreement or a supplemental agreement that only applies to
 10 employees of a charter school, the employer shall mean the
 11 [~~local school~~] governing board, subject to the conditions and
 12 requirements contained in the applicable sections of this
 13 chapter governing any memorandum of agreement or supplemental
 14 agreement.

15 (d) Negotiations over matters covered by this section
 16 shall be conducted between the employer and exclusive
 17 representative pursuant to this chapter. Cost items that are
 18 appropriated for and approved by the legislature and contained
 19 in a collective bargaining agreement, memorandum of agreement,
 20 or supplemental agreement covering, wholly or partially,
 21 employees in charter schools shall be allocated by the
 22 department of budget and finance to [~~the~~] a charter school



1 ~~[administrative office]~~ authorizer for distribution to the
2 charter ~~[schools.]~~ schools it authorizers. However, if the
3 charter school ~~[administrative office]~~ authorizer deems it
4 appropriate, the cost items may be funded from a charter
5 school's existing allocation or other sources of revenue
6 received by a charter school."

7 SECTION 7. Section 302A-101, Hawaii Revised Statutes, is
8 amended as follows:

9 1. By adding two new definitions to be appropriately
10 inserted and to read:

11 "Authorizer" has the same meaning as in section -1.

12 "Commission" has the same meaning as in section -1."

13 2. By deleting the definitions of "charter school
14 administrative office" or "office" and "charter school review
15 panel" or "panel".

16 [~~"Charter school administrative office" or "office" means~~
17 ~~the office established in section 302B-8 responsible for the~~
18 ~~internal organization, operation, and management of the charter~~
19 ~~school system.~~

20 ~~"Charter school review panel" or "panel" means the panel~~
21 ~~established in section 302B-3."]~~



1 SECTION 8. Section 302A-1101, Hawaii Revised Statutes, is
2 amended by amending subsection (d) to read as follows:

3 "(d) The board shall appoint the state public charter
4 school [~~review panel,~~] commission which shall serve as the
5 statewide charter authorizer for charter schools, with the power
6 and duty to issue charters, oversee and monitor charter schools,
7 hold charter schools accountable for their performance, and
8 revoke charters."

9 SECTION 9. Section 302A-1151, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "**§302A-1151 Sale of school lands unnecessary for school**
12 **purposes.** The chairperson of the board of land and natural
13 resources is hereby requested, upon the recommendation and
14 approval of the superintendent, to sell any state lands,
15 including the buildings thereon, once used but no longer
16 necessary for school purposes; provided that no school facility
17 or portion of a school facility shall be sold before that
18 facility or portion of the facility is made available for use by
19 the department or charter schools, pursuant to sections 302A-
20 1151.5 and [~~302B-3.6.~~] _____ -24."



1 SECTION 10. Section 302A-1151.5, Hawaii Revised Statutes,
2 is amended by amending subsections (b) to (e) to read as
3 follows:

4 "(b) The department shall submit a notice of possible
5 availability of a public school to the [~~charter school review~~
6 ~~panel~~] board as early as possible; provided that if a vacancy is
7 established, a notice of vacancy shall be submitted to the
8 [~~charter school review panel~~] board no later than thirty days
9 after the establishment of the vacancy.

10 (c) Pursuant to section [~~302B-3-6~~] _____ -24 and upon
11 receipt of a notice pursuant to subsection (b), the [~~charter~~
12 ~~school review panel~~] board shall solicit applications from
13 charter schools interested in using and occupying all or
14 portions of the facilities of the public school and submit a
15 prioritized list of charter schools to the department for final
16 determination of which charter school, if any, shall be
17 authorized to use and occupy the public school facilities.

18 (d) Upon the selection of a charter school to use a vacant
19 school facility or portion of a school facility, the department
20 and the [~~charter school review panel~~] selected charter school's
21 governing board shall enter into necessary agreements within



1 ninety days of the selection to carry out the purposes of this
2 section.

3 (e) After receipt by the [~~charter school review panel~~]
4 board of a notice pursuant to subsection (b), if the [~~charter~~
5 ~~school review panel~~] board does not [~~provide~~] compile a
6 prioritized list of charter schools because no charter school
7 has requested to use the facilities of the public school, or if
8 the [~~department receives the prioritized list but~~] board
9 determines that no charter school on the list is an appropriate
10 candidate to occupy and use the facilities, the department shall
11 give reasonable consideration to making all or portions of the
12 facilities of the public school, if closed, available for
13 occupancy and use for other educational purposes."

14 SECTION 11. Section 302A-1303.6, Hawaii Revised Statutes,
15 is amended to read as follows:

16 "§302A-1303.6 Weighted student formula. Based upon
17 recommendations from the committee on weights, the board of
18 education, not less than once every odd-numbered year, shall
19 adopt a weighted student formula for the allocation of moneys to
20 public schools that takes into account the educational needs of
21 each student. The department, upon the receipt of appropriated
22 moneys, shall use the weighted student formula to allocate funds



1 to public schools. Principals shall expend moneys provided to
2 the principals' schools. This section shall only apply to
3 charter schools for fiscal years in which the charter schools
4 elect pursuant to section [~~302B-13~~] -29 to receive
5 allocations according to the weighted student formula."

6 SECTION 12. Section 302A-1403, Hawaii Revised Statutes, is
7 amended to read as follows:

8 "**§302A-1403 Authority to secure federal funds.** The
9 department, the state public charter school [~~administrative~~
10 ~~office,~~] commission, a charter school authorizer, director of
11 finance, and governor may take such steps and perform such acts
12 as may be necessary or proper to secure any such federal funds
13 for the purposes specified in sections 302A-1401 and 302A-1402."

14 SECTION 13. Section 302A-1404, Hawaii Revised Statutes, is
15 amended by amending subsection (a) to read as follows:

16 "(a) The department and the state public charter school
17 [~~administrative office,~~] commission or an authorizer, as
18 appropriate, may retain and expend federal indirect overhead
19 reimbursements for discretionary grants in excess of the
20 negotiated rate for such reimbursements as determined by the
21 director of finance and the superintendent or the director of
22 finance and the [~~executive director of the~~] state public charter



1 school [~~administrative office.~~] commission or an authorizer, as
2 appropriate."

3 SECTION 14. Section 302A-1505, Hawaii Revised Statutes, is
4 amended by amending subsection (b) to read as follows:

5 "(b) Prior to informing the department about the school's
6 repair and maintenance needs, the school's principal shall
7 consider the recommendations made by the school community
8 council or the [~~local school~~] governing board, if the school is
9 a charter school."

10 SECTION 15. Chapter 302B, Hawaii Revised Statutes, is
11 repealed.

12 PART IV

13 SECTION 16. Notwithstanding any law to the contrary, the
14 members of the charter school review panel serving on the day of
15 the effective date of this Act shall serve on the state public
16 charter school commission until the appointment of no fewer than
17 five members to the state public charter school commission
18 pursuant to section 2 this Act, at which time all members of the
19 charter school review panel shall be discharged from service and
20 the members of the state public charter school commission shall
21 begin their service; provided that any vacancy in the charter
22 school review panel occurring between the effective date of this



1 Act and the discharge from office of all charter school review
2 panel members shall remain vacant until appointed to the state
3 public charter school commission by the board of education
4 pursuant to this Act.

5 SECTION 17. All rights, powers, functions, and duties of
6 the charter school administrative office as established pursuant
7 to section 302B-8, Hawaii Revised Statutes, are transferred to
8 the charter school administrative office as established pursuant
9 to section 3 of this Act.

10 All officers and employees whose functions are transferred
11 by this Act shall be transferred with their functions and shall
12 continue to perform their regular duties upon their transfer,
13 subject to the state personnel laws and this Act.

14 No officer or employee of the State having tenure shall
15 suffer any loss of salary, seniority, prior service credit,
16 vacation, sick leave, or other employee benefit or privilege as
17 a consequence of this Act, and such officer or employee may be
18 transferred or appointed to a civil service position without the
19 necessity of examination; provided that the officer or employee
20 possesses the minimum qualifications for the position to which
21 transferred or appointed; and provided that subsequent changes



1 in status may be made pursuant to applicable civil service and
2 compensation laws.

3 An officer or employee of the State who does not have
4 tenure and who may be transferred or appointed to a civil
5 service position as a consequence of this Act shall become a
6 civil service employee without the loss of salary, seniority,
7 prior service credit, vacation, sick leave, or other employee
8 benefits or privileges and without the necessity of examination;
9 provided that such officer or employee possesses the minimum
10 qualifications for the position to which transferred or
11 appointed.

12 If an office or position held by an officer or employee
13 having tenure is abolished, the officer or employee shall not
14 thereby be separated from public employment, but shall remain in
15 the employment of the State with the same pay and classification
16 and shall be transferred to some other office or position for
17 which the officer or employee is eligible under the personnel
18 laws of the State as determined by the head of the department or
19 the governor.

20 SECTION 18. All appropriations, records, equipment,
21 machines, files, supplies, contracts, books, papers, documents,
22 maps, and other personal property heretofore made, used,



1 acquired, or held by the charter school administrative office as
2 established pursuant to section 302B-8, Hawaii Revised Statutes,
3 relating to the functions transferred to the charter school
4 administrative office as established pursuant to section 3 of
5 this Act shall be transferred with the functions to which they
6 relate.

7 SECTION 19. As of the effective date of this Act, all
8 moneys in the charter schools account established pursuant to
9 section 302B-12(i), Hawaii Revised Statutes, shall be
10 transferred to the general fund of the State of Hawaii.

11 SECTION 20. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 21. This Act shall take effect upon its approval;
14 provided that section 3 of this Act shall be repealed on July 1,
15 2013.



Report Title:

Education; Charter Schools

Description:

Establishes a new chapter governing charter schools based on the recommendations of the charter school governance, accountability, and authority task force established by Act 130, Session Laws of Hawaii 2011. Repeals chapter 302B, HRS. Maintains the charter school administrative office until July 1, 2013. Transfers all funds in the charter schools account established pursuant to section 302B-12(i), HRS, to the general fund. Makes housekeeping amendments. (SD2)

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

