



EXECUTIVE CHAMBERS  
HONOLULU

NEIL ABERCROMBIE  
GOVERNOR

June 21, 2013

**GOV. MSG. NO. 1262**

The Honorable Donna Mercado Kim,  
President  
and Members of the Senate  
Twenty-Seventh State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813


The Honorable Joseph M. Souki,  
Speaker and Members of the  
House of Representatives  
Twenty-Seventh State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Kim, Speaker Souki, and Members of the Legislature:

This is to inform you that on June 21, 2013, the following bill was signed into law:

SB244 SD2 HD1 CD1

RELATING TO EDUCATION  
**ACT 159 (13)**

*Aloha*  
Sincerely,  


NEIL ABERCROMBIE  
Governor, State of Hawaii

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# A BILL FOR AN ACT

RELATING TO EDUCATION.

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

1 SECTION 1. Chapter 302D, Hawaii Revised Statutes, is  
2 amended by adding five new sections to be appropriately  
3 designated and to read as follows:

4 "§302D-A Annual audit. Each charter school shall annually  
5 complete an independent financial audit that complies with the  
6 requirements of its authorizer and the department.

7 §302D-B Criminal history record checks. (a) The  
8 commission shall develop procedures for obtaining verifiable  
9 information regarding the criminal history of persons who are  
10 employed or seeking employment in any position, including  
11 teacher trainees, that places them in close proximity to  
12 children. These procedures shall include criminal history  
13 record checks in accordance with section 846-2.7. Information  
14 obtained pursuant to this subsection shall be used exclusively  
15 by the employer or prospective employer for the purpose of  
16 determining whether a person is suitable for working in close  
17 proximity to children. All such decisions shall be subject to  
18 applicable federal laws and regulations.



- 1        (b) The employer or prospective employer may:
- 2        (1) Refuse to allow or continue to allow teacher training;
- 3        (2) Terminate the employment of any employee; or
- 4        (3) Deny employment to an applicant,

5 if the person has committed a crime, and if the employer or  
6 prospective employer finds by reason of the nature and  
7 circumstances of the crime, that the person poses a risk to the  
8 health, safety, or well-being of children. Refusal,  
9 termination, or denial may occur only after appropriate  
10 investigation and notification to the employee or applicant of  
11 the results and planned action and after the employee or  
12 applicant is given an opportunity to meet and rebut the  
13 findings. Nothing in this subsection shall abrogate any  
14 applicable rights under chapter 76 or 89, or any administrative  
15 rule of the commission.

16        (c) Notwithstanding any other law to the contrary, for  
17 purposes of this section, the commission shall be exempt from  
18 section 831-3.1 and shall not be required to conduct  
19 investigations, notifications, or hearings in accordance with  
20 chapter 91.

21        §302D-C Enrollment. (a) A public charter school shall  
22 not discriminate against any student or limit admission based on



1 race, color, ethnicity, national origin, religion, gender,  
2 sexual orientation, income level, disability, level of  
3 proficiency in the English language, need for special education  
4 services, or academic or athletic ability.

5 (b) A start-up charter school:

6 (1) Shall be open to any student residing in the State;

7 (2) Shall enroll all students who submit an application,  
8 unless the number of students who submit an  
9 application exceeds the capacity of a program, class,  
10 grade level, or building;

11 (3) Shall select students through a public lottery if, as  
12 described in paragraph (2), capacity is insufficient  
13 to enroll all students who have submitted a timely  
14 application;

15 (4) May give an enrollment preference to students within a  
16 given age group or grade level and may be organized  
17 around a special emphasis, theme, or concept as stated  
18 in the charter school's application and as approved by  
19 the charter school's authorizer;

20 (5) May give an enrollment preference to students enrolled  
21 in the charter school during the previous school year



1           and to siblings of students already enrolled at the  
2           charter school; and  
3           (6) May give any other enrollment preference permitted by  
4           the charter school's authorizer, on an individual  
5           charter school basis, if consistent with law;  
6 provided that nothing in this subsection shall preclude the  
7 formation of a start-up charter school whose mission is focused  
8 on serving students with disabilities, who are of the same  
9 gender, who pose such severe disciplinary problems that they  
10 warrant a specific educational program, or who are at a risk of  
11 academic failure.

12           (c) A conversion charter school shall:

13           (1) Enroll any student who resides within the school's  
14           former geographic service area pursuant to section  
15           302A-1143, for the grades that were in place when the  
16           public school converted to a charter school; provided.  
17           that the department may consult with a conversion  
18           charter school every three years to determine whether  
19           realignment of the charter school's service area is  
20           appropriate given population shifts and the  
21           department's overall service area reviews;

- 1       (2) Follow the department's procedures regarding  
2       enrollment, including but not limited to geographic  
3       exceptions and enrollment preferences; and
- 4       (3) Be subject to subsection (b) for grades that were not  
5       in place when the school converted to a public charter  
6       school.

7       §302D-D Rules. Unless otherwise provided for in this  
8       chapter or chapter 302A, the commission may adopt rules pursuant  
9       to chapter 91 to administer and implement this chapter; provided  
10       that the board shall maintain exclusive rule-making authority  
11       over state educational policy.

12       §302D-E Facilities funding. (a) Beginning with fiscal  
13       year 2014-2015 and each fiscal year thereafter, the commission  
14       may request facilities funding for charter schools as part of  
15       its annual budget request to the director of finance.

16       (b) The legislature may make an appropriation based upon  
17       the facilities funding request pursuant to subsection (a).

18       (c) The governor, pursuant to chapter 37, may impose  
19       restrictions or reductions on appropriations for charter schools  
20       similar to those imposed on other public schools.



1        (d) This section shall not limit the ability of the  
2 director of finance to modify or amend any allotment pursuant to  
3 chapter 37.

4        (e) The commission shall develop criteria to determine the  
5 distribution of funds appropriated pursuant to subsection (b) to  
6 the charter schools. The criteria shall include but not be  
7 limited to distribution based on the need and performance of the  
8 charter schools."

9        SECTION 2. Section 302A-101, Hawaii Revised Statutes, is  
10 amended by amending the definition of "public schools" to read  
11 as follows:

12        "Public schools" means all academic and noncollege type  
13 schools established and maintained by the department and charter  
14 schools [~~chartered by the board of education, in accordance with~~  
15 ~~law.] governed by chapter 302D."~~

16        SECTION 3. Section 302D-1, Hawaii Revised Statutes, is  
17 amended as follows:

18        1. By amending the definitions of "authorizer", "charter  
19 school" or "public charter school", and "organizational  
20 viability" to read:

21        "Authorizer" means an entity established under this  
22 chapter with chartering authority to review charter



1 applications, decide whether to approve or [~~reject~~] deny charter  
2 applications, enter into charter contracts with applicants,  
3 oversee public charter schools, and decide whether to authorize,  
4 [~~reauthorize,~~] renew, deny renewal of, or [~~reject~~] revoke  
5 charter contracts. The term may include the commission when  
6 appropriate.

7 "Charter school" or "public charter school" refers to those  
8 public schools and their respective governing boards, as defined  
9 in this section, that are holding [~~charters~~] charter contracts  
10 to operate as charter schools under this chapter, including  
11 start-up and conversion charter schools, and that have the  
12 flexibility and independent authority to implement alternative  
13 frameworks with regard to curriculum, facilities management,  
14 instructional approach, virtual education, length of the school  
15 day, week, or year, and personnel management.

16 "Organizational viability" means that a charter school:

- 17 (1) Has been duly constituted and operates in accordance  
18 with its charter;
- 19 (2) Has a governing board established in accordance with  
20 law and the charter school's charter;





- 1           (3) Employs sufficient faculty and staff to provide the
- 2           necessary educational program and support services to
- 3           operate the facility in accordance with its charter;
- 4           (4) Maintains accurate and comprehensive records regarding
- 5           students and employees as determined by its
- 6           authorizer;
- 7           (5) Meets appropriate standards of student achievement as
- 8           defined by the board pursuant to its duties under
- 9           article X, section 3, of the constitution of the State
- 10          of Hawaii;
- 11          (6) Cooperates with board and authorizer requirements in
- 12          conducting its functions;
- 13          (7) Complies with applicable federal, state, and county
- 14          laws and requirements;
- 15          (8) In accordance with authorizer guidelines and
- 16          procedures, is financially sound and fiscally
- 17          responsible in its use of public funds, maintains
- 18          accurate and comprehensive financial records, operates
- 19          in accordance with generally accepted accounting
- 20          practices, and maintains a sound financial plan;
- 21          (9) Operates within the scope of its charter contract and
- 22          fulfills obligations and commitments of its charter;



- 1 (10) Complies with all health and safety laws and
- 2 requirements;
- 3 (11) Complies with all authorizer directives, policies, and
- 4 procedures; and
- 5 (12) Complies with all board policies deemed applicable to
- 6 charter schools by the board."

7 2. By deleting the definition of "executive director".  
 8 ["~~Executive director~~ means the executive director of the  
 9 ~~state public charter school commission.~~"]

10 SECTION 4. Section 302D-3, Hawaii Revised Statutes, is  
 11 amended to read as follows:

12 "[~~§~~302D-3] **State public charter school commission;**  
 13 **establishment; appointment.** (a) There is established the state  
 14 public charter school commission with statewide chartering  
 15 jurisdiction and authority. The commission shall be placed  
 16 within the department for administrative purposes only.  
 17 Notwithstanding section 302D-25 and any law to the contrary, the  
 18 commission shall be subject to chapter 92.

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

21 (c) The commission shall consist of nine members to be  
 22 appointed by the board. The board shall appoint members who



1 will be tasked with authorizing public charter schools that  
2 serve the unique and diverse needs of public school students.  
3 The chair of the commission shall be designated by the members  
4 of the commission for each school year beginning July 1, and  
5 whenever there is a vacancy. The board shall consider the  
6 combination of abilities, breadth of experiences, and  
7 characteristics of the commission, including but not limited to  
8 reflecting the diversity of the student population, geographical  
9 representation, and a broad representation of education-related  
10 stakeholders.

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

15 (1) Commitment to education. Each nominee's record should  
16 demonstrate a deep and abiding interest in education,  
17 and a dedication to the social, academic, and  
18 character development of young people through the  
19 administration of a high performing charter school  
20 system;

21 (2) Record of integrity, civic virtue, and high ethical  
22 standards. Each nominee shall demonstrate integrity,



1 civic virtue, and high ethical standards and be  
2 willing to hold fellow commission members to the same;

3 (3) Availability for constructive engagement. Each  
4 nominee shall commit to being a conscientious and  
5 attentive commission member; and

6 (4) Knowledge of best practices. Each nominee shall have  
7 an understanding of best practices in charter school  
8 educational governance or shall be willing to be  
9 trained in such.

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

12 (1) Experience governing complex organizations. Each  
13 nominee should possess experience with complex  
14 organizations, including but not limited to  
15 performance contract management, and a proven ability  
16 to function productively within them; and

17 (2) Collaborative leadership ability. Each nominee should  
18 have substantial leadership experience that ideally  
19 illustrates the nominee's ability to function among  
20 diverse colleagues as an effective team member, with  
21 the ability to articulate, understand, and help shape  
22 consensus surrounding commission policies.



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

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

- 9 (1) Three members, including the chairperson, to serve  
10 three-year terms;  
11 (2) Three members to serve two-year terms; and  
12 (3) Three members to serve one-year terms.

13 (h) Notwithstanding the terms of the members, the board  
14 may fill vacancies in the commission at any time when a vacancy  
15 occurs due to resignation, non-participation, the request of a  
16 majority of the commission members, or termination by the board  
17 for cause.

18 (i) Commission members shall receive no compensation.  
19 When commission duties require that a commission member take  
20 leave of the member's duties as a state employee, the  
21 appropriate state department shall allow the commission member  
22 to be placed on administrative leave with pay and shall provide



1 substitutes, when necessary, to fulfill that member's  
2 departmental duties. Members shall be reimbursed for necessary  
3 travel expenses incurred in the conduct of official commission  
4 business.

5 (j) ~~[The commission shall establish operating procedures~~  
6 ~~that shall include conflict of interest procedures for any~~  
7 ~~member whose school of employment or governing board is before~~  
8 ~~the commission.]~~ Commission members shall disclose to the  
9 commission a list of all charter schools in which the member is  
10 an employee, governing board member, vendor, contractor, agent,  
11 or representative. Any member having such a relationship to a  
12 charter school that comes before the commission shall be  
13 disqualified from voting on or participating in the discussion  
14 on that charter school.

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

18 (l) The commission shall have the power to hire staff  
19 without regard to chapters 76 and 89."

20 SECTION 5. Section 302D-5, Hawaii Revised Statutes, is  
21 amended by amending subsection (b) to read as follows:

22 "(b) An authorizer shall:



1 (1) Act as the point of contact between the department and  
2 a public charter school it authorizes and be  
3 responsible for the administration of all applicable  
4 state and federal laws;

5 (2) Be responsible for and ensure the compliance of a  
6 public charter school it authorizes with all  
7 applicable state and federal laws, including reporting  
8 requirements;

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

12 (4) Be responsible for the receipt of per-pupil funding  
13 from the department of budget and finance and  
14 distribution of the funding to the public charter  
15 school it authorizes."

16 SECTION 6. Section 302D-6, Hawaii Revised Statutes, is  
17 amended to read as follows:

18 "[~~§~~§302D-6[~~§~~] Principles and standards for charter  
19 ~~authorizing~~. All authorizers shall be required to [~~develop and~~  
20 ~~maintain chartering policies and practices consistent with~~  
21 follow nationally recognized principles and standards for

1 quality charter authorizing in all major areas of authorizing  
2 responsibility, including:

- 3 (1) Organizational capacity and infrastructure;
- 4 (2) Soliciting and evaluating charter applications;
- 5 (3) Performance contracting;
- 6 (4) Ongoing public charter school oversight and  
7 evaluation; and
- 8 (5) Charter and charter contract renewal decision-making.

9 Authorizers shall carry out all their duties under this  
10 chapter in a manner consistent with nationally recognized  
11 principles and standards and with the spirit and intent of this  
12 chapter. Evidence of material or persistent failure to do so  
13 shall constitute grounds for losing charter authorizing powers."

14 SECTION 7. Section 302D-12, Hawaii Revised Statutes, is  
15 amended to read as follows:

16 "[+]§302D-12[+] **Charter school governing boards; powers**  
17 **and duties.** (a) No more than [~~thirty per cent~~] one-third of  
18 the voting members of a governing board shall be employees of a  
19 school or relatives of employees of a school under the  
20 jurisdiction of that governing [~~board; provided that the chief~~  
21 ~~executive officer, chief administrative officer, executive~~  
22 ~~director, or otherwise designated head of a charter school may~~





1 ~~serve as an ex officio, non-voting member of the governing]~~  
2 board. In selecting members, consideration shall be given to  
3 persons who:

4 (1) Provide the governing board with a diversity of  
5 perspective and a level of objectivity that accurately  
6 represent the interests of the charter school students  
7 and the surrounding community;

8 (2) Demonstrate an understanding of best practices of non-  
9 profit governance; and

10 (3) Possess strong financial and academic management and  
11 oversight abilities, as well as human resource and  
12 fundraising experience.

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

19 (c) The governing board shall be the independent governing  
20 body of its charter school and shall have oversight over and be  
21 responsible for the financial, organizational, and academic  
22 viability of the charter school, implementation of the charter,



1 and the independent authority to determine the organization and  
2 management of the school, the curriculum, virtual education, and  
3 compliance with applicable federal and state laws. The  
4 governing board shall ensure its school complies with the terms  
5 of the charter contract between the authorizer and the school.  
6 The governing board shall have the power to negotiate  
7 supplemental collective bargaining agreements with the exclusive  
8 representatives of their employees.

9 (d) Governing boards and charter schools shall be exempt  
10 from chapter 103D, but shall develop internal policies and  
11 procedures for the procurement of goods, services, and  
12 construction, consistent with the goals of public accountability  
13 and public procurement practices. Governing boards and charter  
14 schools are encouraged to use the provisions of chapter 103D  
15 wherever possible; provided that the use of one or more  
16 provisions of chapter 103D shall not constitute a waiver of the  
17 exemption from chapter 103D and shall not subject the charter  
18 school to any other provision 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) All charter school employees and members of governing  
5 boards shall be subject to chapter 84.

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

9 (h) For purposes of this section[~~,"employees" shall~~]:  
10 "Employees" shall include but not be limited to the chief  
11 executive officer, chief administrative officer, executive  
12 director, or otherwise designated head of a charter school[-]  
13 and shall include any person under an employment contract to  
14 serve as the chief executive officer, chief administrative  
15 officer, executive director, or designated head of a charter  
16 school.

17 "Relative" means a spouse, fiancé, or fiancée of the  
18 employee; any person who is related to the employee within four  
19 degrees of consanguinity; or the spouse, fiancé, or fiancée of  
20 such person.

21 (i) Whenever a charter school or governing board seeks to  
22 enter into a contract with a private organization, whether

1 for-profit or nonprofit, to manage or operate the charter  
2 school, which contract requires the private organization to  
3 employ or otherwise provide the charter school with an  
4 individual to serve in the capacity of the chief executive  
5 officer, chief administrative officer, executive director, or  
6 designated head of the charter school, the charter school's  
7 governing board, in consultation with the state ethics  
8 commission, shall adopt standards of conduct that shall apply to  
9 the chief executive officer, chief administrative officer,  
10 executive director, or designated head of the charter school.  
11 The standards of conduct shall include provisions relating to  
12 gifts, fair treatment or misuse of position, and conflicts of  
13 interest, and shall be incorporated into and made part of any  
14 contract or arrangement between the charter school or governing  
15 board and the private organization for those services."

16 SECTION 8. Section 302D-13, Hawaii Revised Statutes, is  
17 amended by amending subsections (c) and (d) to read as follows:

18 "(c) The start-up charter school charter application  
19 process and schedule shall be determined by the authorizer, and  
20 shall provide for and include, at a minimum, the following  
21 elements:



- 1 (1) The submission of a letter of intent to operate a
- 2 start-up charter school;
- 3 (2) The ~~[timely transmittal]~~ availability of the charter
- 4 application form and completion guidelines ~~[to]~~ on the
- 5 ~~[governing board,]~~ authorizer's website;
- 6 (3) The timely submission of a completed charter
- 7 application to the authorizer;
- 8 (4) The timely review of the charter application by the
- 9 authorizer for completeness, and notification by the
- 10 authorizer to the governing board that the charter
- 11 application is complete;
- 12 (5) Upon receipt of a completed charter application, the
- 13 ~~[convening of the commission, if applicable, by the~~
- 14 ~~commission chairperson to begin]~~ review and evaluation
- 15 of the charter application[.] by qualified persons;
- 16 (6) Following the ~~[submission]~~ review and evaluation of a
- 17 charter application, ~~[issuance of a charter or]~~
- 18 approval or denial of the charter 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 to
- 22 approve or deny a charter application must be made[.]

1           by the authorizer, upon receipt of a complete charter  
2           application; and

3           (8) A provision that no start-up charter school may begin  
4           operation before obtaining authorizer approval of its  
5           charter application and charter contract [-] and  
6           fulfilling pre-opening requirements that may be  
7           imposed by the authorizer.

8           (d) A charter application to become a start-up charter  
9           school shall meet the requirements of this subsection and  
10          section 302D-25. The charter application shall, at a minimum,  
11          include the following:

12           (1) A description of employee rights and management issues  
13           and a framework for addressing those issues that  
14           protects the rights of employees;

15           (2) A plan for identifying, recruiting, and retaining  
16           highly qualified instructional faculty[+], as defined  
17           by the department;

18           (3) A plan for identifying, recruiting, and selecting  
19           students that is not exclusive, elitist, or  
20           segregationist [+], and complies with this chapter;



- 1           (4) The curriculum and instructional framework to be used
- 2           to achieve student outcomes, including an assessment
- 3           plan;
- 4           (5) A plan for the assessment of student, administrative
- 5           support, and teaching personnel performance that:
- 6           (A) Recognizes the interests of the general public;
- 7           (B) Incorporates or exceeds the educational content
- 8           and performance standards developed by the
- 9           department for the public school system;
- 10          (C) Includes a system of faculty and staff
- 11          accountability that holds faculty and staff
- 12          individually and collectively accountable for
- 13          their performance, and that is at least
- 14          equivalent to the average system of
- 15          accountability in public schools throughout the
- 16          State; and
- 17          (D) Provides for program audits and annual financial
- 18          audits;
- 19          (6) A governance structure for the charter school that
- 20          incorporates a conflict of interest policy and a plan
- 21          for periodic training to carry out the duties of
- 22          governing board members;





- 1 (7) A description of the constitution of the governing
- 2 board, terms of governing board members, and the
- 3 process by which governing board members were
- 4 selected;
- 5 (8) A financial plan based on the most recent fiscal
- 6 year's per-pupil charter school allocation that
- 7 demonstrates the ability to meet the financial
- 8 obligations of one-time, start-up costs and ongoing
- 9 costs such as monthly payrolls, faculty recruitment,
- 10 professional development, and facilities costs; and
- 11 (9) A facilities plan."

12 SECTION 9. Section 302D-14, Hawaii Revised Statutes, is  
13 amended to read as follows:

14 "[+]§302D-14[+] **Conversion charter schools; establishment.**

15 (a) A conversion charter school may be established pursuant to  
16 this section.

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



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

4 (1) The submission of a letter of intent to convert to a  
5 charter school;

6 (2) The [~~timely transmittal~~] availability of the charter  
7 application form and completion guidelines [~~to~~] on the  
8 [~~governing board,~~] authorizer's website;

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

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



1 (B) The balance of stakeholders represented in the  
2 vote and the ~~[bread]~~ extent of support received  
3 in support of the conversion shall be [a] key  
4 ~~[factor in an authorizer's decision]~~ factors,  
5 along with the applicant's proposed plans, to be  
6 considered by the authorizer when deciding  
7 whether to award a charter; and

8 (C) A breakdown of the number of administrative,  
9 support, and ~~[teacher]~~ teaching personnel, and  
10 parents of students who constitute the existing  
11 department school and the number [that] who  
12 actually participated in the vote shall be  
13 provided to the authorizer;

14 (4) The timely review of the charter application by the  
15 authorizer for completeness, and notification by the  
16 authorizer to the governing board that the charter  
17 application is complete;

18 (5) Upon receipt of a completed charter application, the  
19 ~~[convening of the commission, if applicable, by the~~  
20 ~~commission chairperson to begin]~~ review and evaluation  
21 of the charter application[?] by qualified persons;

1 (6) Following the [~~submission~~] review and evaluation of a  
2 charter application, [~~issuance of a charter~~] approval  
3 or denial of the charter application by the authorizer  
4 [~~or if submitted to the commission, by majority vote~~];

5 (7) A provision for a final date by which a decision of  
6 whether to approve or deny a charter application must  
7 be made by the authorizer, upon receipt of a complete  
8 charter application; and

9 (8) A provision that no conversion charter school may  
10 begin operation before obtaining authorizer approval  
11 of its charter and charter contract[-] and fulfilling  
12 pre-opening requirements that may be imposed by the  
13 authorizer.

14 (d) A charter application to become a conversion charter  
15 school shall meet the requirements of this subsection and  
16 section 302D-25. The charter application shall include, at a  
17 minimum, the following:

18 (1) A description of employee rights and management issues  
19 and a framework for addressing those issues that  
20 protects the rights of employees;



- 1           (2) A plan for identifying, recruiting, and retaining  
2           highly qualified instructional faculty[7], as defined  
3           by the department;
- 4           (3) A plan for identifying, recruiting, and selecting  
5           students that is not exclusive, elitist, or  
6           segregationist [7], and complies with this chapter;
- 7           (4) The curriculum and instructional framework to be used  
8           to achieve student outcomes, including an assessment  
9           plan;
- 10          (5) A plan for the assessment of student, administrative  
11          support, and teaching personnel performance that:
  - 12          (A) Recognizes the interests of the general public;
  - 13          (B) Incorporates or exceeds the educational content  
14          and performance standards developed by the  
15          department for the public school system;
  - 16          (C) Includes a system of faculty and staff  
17          accountability that holds faculty and staff  
18          individually and collectively accountable for  
19          their performance, and that is at least  
20          equivalent to the average system of  
21          accountability in public schools throughout the  
22          State; and

1 (D) Provides for program audits and annual financial  
2 audits;

3 (6) A governance structure for the charter school that  
4 incorporates a conflict of interest policy and a plan  
5 for periodic training to carry out the duties of  
6 governing board members;

7 (7) A description of the constitution of the governing  
8 board, terms of governing board members, and the  
9 process by which governing board members were  
10 selected;

11 (8) A financial plan based on the most recent fiscal  
12 year's per-pupil charter school allocation that  
13 demonstrates the ability to meet the financial  
14 obligations of one-time, start-up costs and ongoing  
15 costs such as monthly payrolls, faculty recruitment,  
16 professional development, and facilities costs; and

17 (9) A facilities plan.

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



1           (1) As the governing body of the conversion charter  
2           school, the governing board shall be the board of  
3           directors of the nonprofit organization and shall not  
4           be selected pursuant to section 302D-12. The  
5           nonprofit organization may also appoint advisory  
6           groups of community representatives for each school  
7           managed by the nonprofit organization; provided that  
8           these groups shall not have governing authority over  
9           the school and shall serve only in an advisory  
10          capacity to the nonprofit organization;

11          (2) The charter application for each conversion charter  
12          school to be operated by the nonprofit organization  
13          shall be formulated, developed, and submitted by the  
14          nonprofit organization, and shall be approved by a  
15          majority of the votes cast by existing administrative,  
16          support, and teaching personnel, and parents of [the]  
17          students of the existing department school; provided  
18          that:

19                (A) This vote shall be considered by the authorizer  
20                to be the primary indication of the existing  
21                administrative, support, and teaching personnel,



- 1                   and parents' approval to convert to a charter  
 2                   school;
- 3           (B) The balance of stakeholders represented in the  
 4           vote and the ~~[bread]~~ extent of support received  
 5           in support of the conversion shall be a key  
 6           factor, along with the applicant's proposed  
 7           plans, in an authorizer's decision to award a  
 8           charter; and
- 9           (C) A breakdown of the number of administrative,  
 10           support, and ~~[teacher]~~ teaching personnel, and  
 11           parents of students who constitute the existing  
 12           department school and the number ~~[that]~~ who  
 13           actually participated in the vote shall be  
 14           provided to the authorizer;
- 15           (3) The board of directors of the nonprofit organization,  
 16           as the governing body for the conversion charter  
 17           school that it operates and manages, shall have the  
 18           same protections that are afforded to the board in its  
 19           role as the conversion charter school governing body;
- 20           (4) Any conversion charter school that is managed and  
 21           operated by a nonprofit organization shall be eligible  
 22           for the same federal and state funding as other public



1 schools; provided that ~~[the nonprofit organization~~  
2 ~~makes a minimum annual]~~ nothing in this section shall  
3 prohibit a nonprofit organization from making a  
4 contribution ~~[of \$1 per pupil]~~ toward the operation of  
5 a conversion charter school ~~[for every \$4 per pupil~~  
6 ~~allocated by the department of budget and finance for~~  
7 ~~the operation of the conversion charter school,~~  
8 ~~provided further that in no event shall the nonprofit~~  
9 ~~organization be required to contribute more than the~~  
10 ~~total required contribution per pupil per year. As~~  
11 ~~used in this paragraph, "total required contribution"~~  
12 ~~means:~~

- 13 ~~(A) \$1,650 for school years 2012-2013 through 2015-~~  
14 ~~2016; and~~  
15 ~~(B) \$1,815 for school years 2016-2017 through 2020-~~  
16 ~~2021]; and~~

- 17 (5) If, at any time, the board of directors of the  
18 nonprofit organization governing the conversion  
19 charter school votes to discontinue its relationship  
20 with the charter school, the charter school may submit  
21 a revised charter application to the authorizer to



1 continue as a conversion charter school without the  
2 participation of the nonprofit organization.

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

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

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

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

18 (4) Comply with any other requirements prescribed by the  
19 department to ensure adherence with applicable  
20 federal, state, and county laws, and the purposes of  
21 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 a charter application for a charter under  
7 this 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 charter application to the authorizer during a given cycle, as  
17 defined by the authorizer, except as provided in subsection  
18 (e) (5); provided that an applicant shall have the right to  
19 appeal the authorizer's denial of its charter application  
20 pursuant to section 302D-15.~~

21 ~~(k)]~~ (j) In reviewing charter applications for a charter  
22 under this section, an authorizer shall develop a schedule to



1 approve or deny a charter application by the end of the calendar  
2 year for purposes of meeting any deadlines to request funding  
3 from the legislature."

4 SECTION 10. Section 302D-15, Hawaii Revised Statutes, is  
5 amended to read as follows:

6 "[+]§302D-15[+] Appeals; charter applications,  
7 [~~reauthorizations~~], renewals, or revocations. (a) The board  
8 shall have the power to decide appeals of decisions by an  
9 authorizer to deny the approval of a charter application, deny  
10 [~~reauthorization~~] renewal of a charter [~~school~~] contract, or  
11 revoke a charter school's charter[+] contract. An appeal shall  
12 be filed with the board within twenty-one calendar days of the  
13 receipt of the notification of denial or revocation. Only a  
14 party whose charter application has been denied, whose  
15 [~~reauthorization~~] charter contract renewal has been denied, or  
16 whose charter contract has been revoked may initiate an appeal  
17 under this section for cause. The board shall review an appeal  
18 and issue a final decision within sixty calendar days of the  
19 filing of the appeal. [~~The board may adopt applicable rules and~~  
20 ~~procedures pursuant to chapter 91 for implementing the appeals~~  
21 ~~process.~~]



1        (b) The board shall serve as the final arbitrator of  
2 appeals authorized by subsection (a).

3        (c) A party shall not be entitled to a hearing before the  
4 board under this section until it has exhausted all available  
5 administrative remedies.

6        (d) The board shall adopt rules pursuant to chapter 91 to  
7 implement this section."

8        SECTION 11. Section 302D-16, Hawaii Revised Statutes, is  
9 amended as follows:

10        1. By amending subsection (a) to read:

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

- 18        (1) Student academic proficiency;
- 19        (2) Student academic growth;
- 20        (3) Achievement gaps in proficiency and growth between  
21                major student subgroups;
- 22        (4) Attendance;



1 (5) [~~Recurrent enrollment from year to year,~~] Enrollment  
2 variance;

3 (6) Postsecondary readiness, as applicable for high  
4 schools;

5 (7) Financial performance and sustainability;

6 (8) Performance and stewardship, including compliance with  
7 all applicable laws, rules, and terms of the charter  
8 contract; and

9 (9) Organizational viability."

10 2. By amending subsection (d) to read:

11 "(d) The performance framework shall require the  
12 disaggregation of all student performance data by major student  
13 subgroups, [~~including gender, race, poverty status, special~~  
14 ~~education status, English as a second language status, and~~  
15 ~~gifted and talented status.~~] as determined by the board."

16 SECTION 12. Section 302D-18, Hawaii Revised Statutes, is  
17 amended as follows:

18 1. By amending subsections (b) and (c) to read:

19 "(b) [~~No later than September 1, the~~] The authorizer shall  
20 issue a charter school performance report and charter contract  
21 renewal application guidance to any charter school whose charter  
22 contract will expire the following year. The performance report



1 shall summarize the charter school's performance record to date,  
2 based on the data required by this chapter and the charter  
3 contract, and shall provide notice of any weaknesses or concerns  
4 perceived by the authorizer concerning the charter school that  
5 may jeopardize its position in seeking renewal [~~if not timely~~  
6 ~~rectified. The charter school shall have thirty days to respond~~  
7 ~~to the performance report and submit any corrections or~~  
8 ~~clarifications for the report~~].

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

11 (1) Submit any corrections or clarifications to the  
12 performance report;

13 [~~1~~] (2) Present additional evidence, beyond the data  
14 contained in the performance report, supporting its  
15 case for charter renewal;

16 [~~2~~] (3) Describe improvements undertaken or planned for  
17 the school; and

18 [~~3~~] (4) Detail the charter school's plans for the next  
19 charter term."

20 2. By amending subsection (e) to read:

21 "(e) No later than [~~March 1,~~] thirty days after the  
22 issuance of the performance report, the governing board of a



1 charter school seeking renewal shall submit a renewal  
2 application to the authorizer pursuant to the renewal guidance  
3 issued by the authorizer. The authorizer shall decide whether  
4 or not to renew the charter no later than forty-five days after  
5 the filing of the renewal application."

6 3. By amending subsections (h), (i), and (j) to read:

7 "(h) An authorizer shall develop revocation and non-  
8 renewal processes that:

- 9 (1) Provide [~~the~~] charter contract holders with a timely  
10 notification of the prospect of revocation or non-  
11 renewal and the reasons for such possible closure;
- 12 (2) Allow [~~the~~] charter contract holders a reasonable  
13 amount of time in which to prepare a response;
- 14 (3) Provide [~~the~~] charter contract holders with an  
15 opportunity to submit documents and give testimony  
16 challenging the rationale for closure and supporting  
17 the continuation of the school at an orderly  
18 proceeding held for that purpose;
- 19 (4) Allow charter contract holders access to  
20 representation by counsel, subject to section 28-8.3,  
21 and to call witnesses on their behalf;





1 (5) Permit the recording of proceedings described in  
2 paragraph (3); and

3 (6) After a reasonable period for deliberation, require a  
4 final determination to be made and conveyed in writing  
5 to the charter contract holders.

6 (i) If an authorizer revokes or does not renew a  
7 charter[7] contract, the authorizer shall clearly state in  
8 writing the reasons for the revocation or nonrenewal.

9 (j) Within fifteen days of taking action to renew, not to  
10 renew, or to revoke a charter[7] contract, the authorizer shall  
11 report to the board the action taken, and shall simultaneously  
12 provide a copy of the report to the charter school. The report  
13 shall set forth the action taken and reasons for the decision  
14 and assurances as to compliance with all the requirements set  
15 forth in this chapter."

16 SECTION 13. Section 302D-21, Hawaii Revised Statutes, is  
17 amended to read as follows:

18 "[+]§302D-21[+] **Annual board report.** No later than twenty  
19 days prior to the convening of each regular session of the  
20 legislature, the board shall issue to the governor, the  
21 legislature, and the public, an annual report on the State's  
22 public charter schools, drawing from the annual reports



1 submitted by every authorizer, as well as any additional  
2 relevant data compiled by the board, for the school year ending  
3 in the preceding calendar year. The annual report shall  
4 include:

5 (1) A comparison of the performance of public charter  
6 school students with the performance of [~~academically,~~  
7 ~~ethnically, geographically, and economically~~  
8 ~~comparable groups~~] comparable subgroups of students in  
9 public schools governed by chapter 302A;

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

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

18 (4) Any concerns regarding equity and recommendations to  
19 improve access to and distribution of federal funds to  
20 public charter schools; and

21 (5) A discussion of all board policies adopted in the  
22 previous year, including a detailed explanation as to



1           whether each policy is or is not applicable to charter  
2           schools."

3           SECTION 14. Section 302D-31, Hawaii Revised Statutes, is  
4 amended to read as follows:

5           "~~{}~~§302D-31~~{}~~ ~~Sports-~~ Athletics. The department shall  
6 provide students at charter schools, including students enrolled  
7 at charter schools whose curriculum incorporates virtual  
8 education, with the same opportunity to participate in athletics  
9 as is provided to students at other public schools. If a  
10 student at [a] any charter school wishes to participate in a  
11 sport for which there is no program at the charter school, the  
12 department shall allow that student to participate in a  
13 comparable program of any public school in the complex in which  
14 the charter school is located~~-~~ or at the public school in the  
15 service area in which the student resides. All charter school  
16 students participating in athletics shall abide by all rules,  
17 regulations, and policies of the athletic league, association,  
18 and program applicable to the public school in whose athletic  
19 program the student is participating."

20           SECTION 15. Section 378-2.5, Hawaii Revised Statutes, is  
21 amended by amending subsection (d) to read as follows:



1           "(d) Notwithstanding subsections (b) and (c), the  
2 requirement that inquiry into and consideration of a prospective  
3 employee's conviction record may take place only after the  
4 individual has received a conditional job offer, and the  
5 limitation to the most recent ten-year period, excluding the  
6 period of incarceration, shall not apply to employers who are  
7 expressly permitted to inquire into an individual's criminal  
8 history for employment purposes pursuant to any federal or state  
9 law other than subsection (a), including:

- 10           (1) The State or any of its branches, political  
11                 subdivisions, or agencies pursuant to sections 78-2.7  
12                 and 831-3.1;
- 13           (2) The department of education pursuant to section  
14                 302A-601.5;
- 15           (3) The department of health with respect to employees,  
16                 providers, or subcontractors in positions that place  
17                 them in direct contact with clients when providing  
18                 non-witnessed direct mental health services pursuant  
19                 to section 321-171.5;
- 20           (4) The judiciary pursuant to section 571-34;
- 21           (5) The counties pursuant to section 846-2.7(b)(5),  
22                 ~~[(32)-7]~~ (33), (34), ~~[and]~~ (35) ~~[7]~~, and (36);



- 1 (6) Armed security services pursuant to section 261-17(b);
- 2 (7) Providers of a developmental disabilities domiciliary
- 3 home pursuant to section 333F-22;
- 4 (8) Private schools pursuant to sections 302C-1 and
- 5 378-3(8);
- 6 (9) Financial institutions in which deposits are insured
- 7 by a federal agency having jurisdiction over the
- 8 financial institution pursuant to section 378-3(9);
- 9 (10) Detective agencies and security guard agencies
- 10 pursuant to sections 463-6(b) and 463-8(b);
- 11 (11) Employers in the business of insurance pursuant to
- 12 section 431:2-201.3;
- 13 (12) Employers of individuals or supervisors of individuals
- 14 responsible for screening passengers or property under
- 15 Title 49 United States Code section 44901 or
- 16 individuals with unescorted access to an aircraft of
- 17 an air carrier or foreign carrier or in a secured area
- 18 of an airport in the United States pursuant to Title
- 19 49 United States Code section 44936(a);
- 20 (13) The department of human services pursuant to sections
- 21 346-97 and 352-5.5;



- 1       (14) The public library system pursuant to section
- 2               302A-601.5;
- 3       (15) The department of public safety pursuant to section
- 4               353C-5;
- 5       (16) The board of directors of a cooperative housing
- 6               corporation or the manager of a cooperative housing
- 7               project pursuant to section 421I-12;
- 8       (17) The board of directors of an association of owners
- 9               under chapter 514A or 514B, or the manager of a
- 10              condominium project pursuant to section 514A-82.1 or
- 11              514B-133; and
- 12       (18) The department of health pursuant to section
- 13              321-15.2."

14       SECTION 16. Section 846-2.7, Hawaii Revised Statutes, is  
 15 amended by amending subsection (b) to read as follows:

- 16       "(b) Criminal history record checks may be conducted by:
- 17       (1) The department of health or the department's designee
- 18              on operators of adult foster homes or developmental
- 19              disabilities domiciliary homes and their employees, as
- 20              provided by section 333F-22;
- 21       (2) The department of health or the department's designee
- 22              on prospective employees, persons seeking to serve as

1 providers, or subcontractors in positions that place  
2 them in direct contact with clients when providing  
3 non-witnessed direct mental health services as  
4 provided by section 321-171.5;

5 (3) The department of health or the department's designee  
6 on all applicants for licensure for, operators for,  
7 prospective employees, and volunteers at one or more  
8 of the following: skilled nursing facility,  
9 intermediate care facility, adult residential care  
10 home, expanded adult residential care home, assisted  
11 living facility, home health agency, hospice, adult  
12 day health center, special treatment facility,  
13 therapeutic living program, intermediate care facility  
14 for individuals with intellectual disabilities,  
15 hospital, rural health center and rehabilitation  
16 agency, and, in the case of any of the above  
17 facilities operating in a private residence, on any  
18 adult living in the facility other than the client as  
19 provided by section 321-15.2;

20 (4) The department of education on employees, prospective  
21 employees, and teacher trainees in any public school

- 1 in positions that necessitate close proximity to  
2 children as provided by section 302A-601.5;
- 3 (5) The counties on employees and prospective employees  
4 who may be in positions that place them in close  
5 proximity to children in recreation or child care  
6 programs and services;
- 7 (6) The county liquor commissions on applicants for liquor  
8 licenses as provided by section 281-53.5;
- 9 (7) The county liquor commissions on employees and  
10 prospective employees involved in liquor  
11 administration, law enforcement, and liquor control  
12 investigations;
- 13 (8) The department of human services on operators and  
14 employees of child caring institutions, child placing  
15 organizations, and foster boarding homes as provided  
16 by section 346-17;
- 17 (9) The department of human services on prospective  
18 adoptive parents as established under section  
19 346-19.7;
- 20 (10) The department of human services on applicants to  
21 operate child care facilities, prospective employees  
22 of the applicant, and new employees of the provider





1 after registration or licensure as provided by section  
2 346-154;

3 (11) The department of human services on persons exempt  
4 pursuant to section 346-152 to be eligible to provide  
5 child care and receive child care subsidies as  
6 provided by section 346-152.5;

7 (12) The department of human services on operators and  
8 employees of home and community-based case management  
9 agencies and operators and other adults, except for  
10 adults in care, residing in foster family homes as  
11 provided by section 346-335;

12 (13) The department of human services on staff members of  
13 the Hawaii youth correctional facility as provided by  
14 section 352-5.5;

15 (14) The department of human services on employees,  
16 prospective employees, and volunteers of contracted  
17 providers and subcontractors in positions that place  
18 them in close proximity to youth when providing  
19 services on behalf of the office or the Hawaii youth  
20 correctional facility as provided by section 352D-4.3;

21 (15) The judiciary on employees and applicants at detention  
22 and shelter facilities as provided by section 571-34;



- 1           (16) The department of public safety on employees and  
2           prospective employees who are directly involved with  
3           the treatment and care of persons committed to a  
4           correctional facility or who possess police powers  
5           including the power of arrest as provided by section  
6           353C-5;
- 7           (17) The board of private detectives and guards on  
8           applicants for private detective or private guard  
9           licensure as provided by section 463-9;
- 10          (18) Private schools and designated organizations on  
11          employees and prospective employees who may be in  
12          positions that necessitate close proximity to  
13          children; provided that private schools and designated  
14          organizations receive only indications of the states  
15          from which the national criminal history record  
16          information was provided pursuant to section 302C-1;
- 17          (19) The public library system on employees and prospective  
18          employees whose positions place them in close  
19          proximity to children as provided by section  
20          302A-601.5;
- 21          (20) The State or any of its branches, political  
22          subdivisions, or agencies on applicants and employees



1 holding a position that has the same type of contact  
2 with children, vulnerable adults, or persons committed  
3 to a correctional facility as other public employees  
4 who hold positions that are authorized by law to  
5 require criminal history record checks as a condition  
6 of employment as provided by section 78-2.7;

7 (21) The department of human services on licensed adult day  
8 care center operators, employees, new employees,  
9 subcontracted service providers and their employees,  
10 and adult volunteers as provided by section 346-97;

11 (22) The department of human services on purchase of  
12 service contracted and subcontracted service providers  
13 and their employees serving clients of the adult and  
14 community care services branch, as provided by section  
15 346-97;

16 (23) The department of human services on foster grandparent  
17 program, retired and senior volunteer program, senior  
18 companion program, and respite companion program  
19 participants as provided by section 346-97;

20 (24) The department of human services on contracted and  
21 subcontracted service providers and their current and  
22 prospective employees that provide home and community-



1 based services under section 1915(c) of the Social  
2 Security Act, Title 42 United States Code section  
3 1396n(c), or under any other applicable section or  
4 sections of the Social Security Act for the purposes  
5 of providing home and community-based services, as  
6 provided by section 346-97;

7 (25) The department of commerce and consumer affairs on  
8 proposed directors and executive officers of a bank,  
9 savings bank, savings and loan association, trust  
10 company, and depository financial services loan  
11 company as provided by section 412:3-201;

12 (26) The department of commerce and consumer affairs on  
13 proposed directors and executive officers of a  
14 nondepository financial services loan company as  
15 provided by section 412:3-301;

16 (27) The department of commerce and consumer affairs on the  
17 original chartering applicants and proposed executive  
18 officers of a credit union as provided by section  
19 412:10-103;

20 (28) The department of commerce and consumer affairs on:

21 (A) Each principal of every non-corporate applicant  
22 for a money transmitter license; and



- 1 (B) The executive officers, key shareholders, and
- 2 managers in charge of a money transmitter's
- 3 activities of every corporate applicant for a
- 4 money transmitter license,
- 5 as provided by section 489D-9;
- 6 (29) The department of commerce and consumer affairs on
- 7 applicants for licensure and persons licensed under
- 8 title 24;
- 9 (30) The Hawaii health systems corporation on:
- 10 (A) Employees;
- 11 (B) Applicants seeking employment;
- 12 (C) Current or prospective members of the corporation
- 13 board or regional system board; or
- 14 (D) Current or prospective volunteers, providers, or
- 15 contractors,
- 16 in any of the corporation's health facilities as
- 17 provided by section 323F-5.5;
- 18 (31) The department of commerce and consumer affairs on:
- 19 (A) An applicant for a mortgage loan originator
- 20 license; and



1 (B) Each control person, executive officer, director,  
2 general partner, and manager of an applicant for  
3 a mortgage loan originator company license,  
4 as provided by chapter 454F;

5 (32) The state public charter school commission or public  
6 charter schools on employees, teacher trainees,  
7 prospective employees, and prospective teacher  
8 trainees in any public charter school for any position  
9 that places them in close proximity to children, as  
10 provided in section 302D-B;

11 [~~32~~] (33) The counties on prospective employees who work  
12 with vulnerable adults or senior citizens in  
13 community-based programs;

14 [~~33~~] (34) The counties on prospective employees for fire  
15 department positions which involve contact with  
16 children or dependent adults;

17 [~~34~~] (35) The counties on prospective employees for  
18 emergency medical services positions which involve  
19 contact with children or dependent adults;

20 [~~35~~] (36) The counties on prospective employees for  
21 emergency management positions and community  
22 volunteers whose responsibilities involve planning and



1           executing homeland security measures including  
 2           viewing, handling, and engaging in law enforcement or  
 3           classified meetings and assisting vulnerable and  
 4           disabled citizens during emergencies or crises; and  
 5        ~~[(36)]~~ (37) Any other organization, entity, or the State,  
 6           its branches, political subdivisions, or agencies as  
 7           may be authorized by state law."

8           SECTION 17. Section 302D-22, Hawaii Revised Statutes, is  
 9        repealed.

10        ~~["§302D-22] Board as final arbitrator. (a) The board~~  
 11        ~~shall serve as the final arbitrator of those appeals listed in~~  
 12        ~~section 302D-15.~~

13        ~~(b) A party shall not be entitled to a hearing before the~~  
 14        ~~board under this section until it has exhausted all available~~  
 15        ~~administrative remedies.~~

16        ~~(c) The board shall adopt applicable rules and procedures~~  
 17        ~~pursuant to chapter 91 for implementing this section."]~~

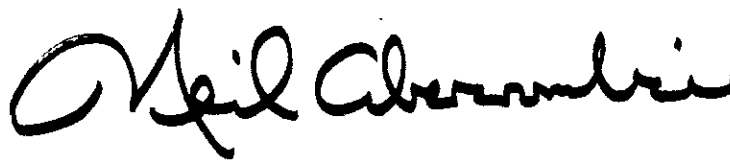
18           SECTION 18. In codifying the new sections added by section  
 19        1 of this Act, the revisor of statutes shall substitute  
 20        appropriate section numbers for the letters used in designating  
 21        the new sections in this Act.



1 SECTION 19. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3 SECTION 20. This Act shall take effect upon its approval.

APPROVED this 21 day of JUN, 2013

A handwritten signature in black ink, appearing to read "Neil Abernethy". The signature is written in a cursive, flowing style.

GOVERNOR OF THE STATE OF HAWAII