

Honolulu, Hawaii

April 29, 2014

RE: H.B. No. 1745
H.D. 2
S.D. 2
C.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 1745, H.D. 2, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO EDUCATION,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to, among other things:

- (1) Authorize the State Public Charter School Commission (Commission) to assess fees on non-state entities and individuals to help cover its operating costs;
- (2) Require that a charter applicant comply with pre-opening criteria set by the charter school authorizer before becoming an entity of the State, by entering into and executing a charter contract to open a school;



- (3) Clarify that during the start-up period, a pre-opening charter school that is a conversion charter school is a separate entity of the State than the department school from which it is converting;
- (4) Clarify that pre-opening charter schools, unless otherwise exempted by the charter school authorizer:
 - (A) Shall not be entitled to receive funding under section 302D-26, 302D-28, 302D-29, or 302D-29.5, Hawaii Revised Statutes (HRS);
 - (B) Shall not employ employees other than independent contractors; and
 - (C) Shall not be subject to the performance framework requirements of section 302D-16, HRS;
- (5) Clarify that a charter school, along with its respective governing board, that has a current charter contract from its authorizer may operate as a charter school and receive public funds;
- (6) Clarify that the charter contract of a pre-opening charter school is void if the charter school fails to meet pre-opening criteria within the start-up period;
- (7) Specify that legislatively appropriated funding for the Commission is independent of funding for charter schools;
- (8) Allow charter school authorizers to negotiate and execute charter contracts with approved charter applicants and existing charter schools;
- (9) Amend annual reporting requirements for charter school authorizers and the Board of Education;
- (10) Require members of a charter school authorizer, including members of the Commission, to disclose a list of all charter schools in which the member has previously been an employee, governing board member, vendor, contractor, agent, or representative;
- (11) Amend requirements for service on a governing board, for the conduct of meetings by a governing board, and for notice of meetings by a governing board;



- (12) Repeal the authorization for the formation of a conversion charter school by an existing Hawaiian language immersion program;
- (13) Provide for the reconstitution of governing boards of charter schools under exigent circumstances;
- (14) Allow charter school authorizers to direct a governing board and charter school to take appropriate action to immediately address serious health and safety issues that may exist at a charter school; and
- (15) Make other housekeeping and conforming amendments.

Your Committee on Conference finds that in 2012, the Legislature passed Act 130, Session Laws of Hawaii 2012 (Act 130), which established a new charter school law that created a comprehensive governance structure for Hawaii's charter school system with clear lines of authority and accountability to foster improved student outcomes. As a result of Act 130, Hawaii's charter school system leapt to fourteenth place in the National Alliance for Public Charter Schools' rankings. This measure builds on the progress made by Act 130, while addressing outstanding issues and making other amendments for clarity.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the requirement for separate legislative appropriations for the Commission shall begin with the 2015-2016 fiscal year;
- (2) Adding language to require the Commission to submit a report to the Chairs of the Senate Committee on Ways and Means, Senate Committee on Education, House Committee on Finance, and House Committee on Education, on the Commission's staffing and operational expenditures by the twentieth day after the Commission submits its 2015-2016 budget request to the Governor or December 1, 2014, whichever is earlier;
- (3) Inserting an effective date of July 1, 2014; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1745, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1745, H.D. 2, S.D. 2, C.D. 1.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE



JILL N. TOKUDA, Chair



ROY M. TAKUMI, Co-Chair



DAVID Y. IGE, Co-Chair



KANIELA ING, Co-Chair



