

STAND. COM. REP. NO.

934

Honolulu, Hawaii

MAR 23 2015

RE: H.B. No. 831
H.D. 2
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committee on Education, to which was referred H.B. No. 831, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC CHARTER SCHOOLS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Expedite the process of school closure when a public charter school becomes financially insolvent by deeming the school to have voluntarily surrendered its charter contract;
- (2) Require the authorizer, in its sole discretion, to determine whether health and safety concerns require school closure;
- (3) Require the authorizer, in its sole discretion, to adopt a closure protocol any time a school is subject to closure; and
- (4) Require the authorizer, in its sole discretion, to determine whether to provide for a transition period in the event of a school closure.

Your Committee received testimony in support of this measure from the State Public Charter School Commission, Hawaii State Teachers Association, and one individual.

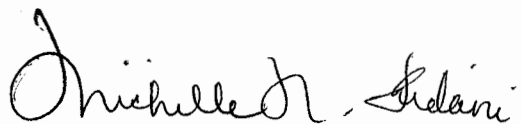


Your Committee finds that the lengthy charter revocation process established under chapter 302D, Hawaii Revised Statutes, never contemplated a scenario in which a school is insolvent or insists on continuing operations despite insolvency. Although such situations are not expected to arise often, a mechanism needs to be available to expedite the closure process in order to protect students and stakeholders. Because many public charter schools operate on very tight budgets, concerns have been expressed as to the meaning of "financial insolvency", and defining the term is important to help charter school administrators better understand when the mechanism may be triggered.

Your Committee has amended this measure by clarifying that a school is financially insolvent when it is unable to pay its staff when payroll is due.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 831, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 831, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Education,

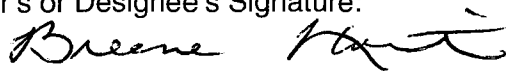


MICHELLE N. KIDANI, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Education
EDU

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 831, HD2	EDU, WAM	3/16/15		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KIDANI, Michelle N. (C)	✓			
HARIMOTO, Breene (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.				✓
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.	✓			
NISHIHARA, Clarence K.	✓			
THIELEN, Laura H.	✓			
SLOM, Sam	✓			
TOTAL	8			1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes