



GOV. MSG. NO. 1214

EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

June 12, 2015

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Twenty-Eighth State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Joseph M. Souki,  
Speaker and Members of the  
House of Representatives  
Twenty-Eighth State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

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

This is to inform you that on June 12, 2015, the following bill was signed into law:

SB831 SD2 HD1 CD1

RELATING TO EDUCATION  
**ACT 114 (15)**

Sincerely,

A handwritten signature in black ink that reads "David Y. Ige".

DAVID Y. IGE  
Governor, State of Hawai'i

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SENATE  
OFFICE OF THE PRESIDENT

'15 JUN 12 P4:10

RECEIVED  
THE SENATE  
CLERK'S OFFICE  
STATE OF HAWAII

'15 JUN 12 P5:11

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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. Section 302D-1, Hawaii Revised Statutes, is  
2 amended as follows:

3 1. By adding a new definition to be appropriately inserted  
4 and to read:

5 "Applicant governing board" means the initial governing  
6 board that is:

7 (1) Established by an eligible group or entity to submit a  
8 charter application pursuant to section 302D-13; and

9 (2) Not subject to section 302D-12."

10 2. By amending the definition of "conversion charter  
11 school" to read:

12 "Conversion charter school" means:

13 (1) Any existing department school that converts to a  
14 charter school and is managed and operated in  
15 accordance with section [~~302D-14~~] 302D-13; or

16 (2) Any existing department school that converts to a  
17 charter school and is managed and operated by a



1 nonprofit organization in accordance with section  
2 ~~[302D-14.]~~ 302D-13."

3 3. By amending the definition of "start-up charter school"  
4 to read:

5 "Start-up charter school" means a new charter school  
6 established under section 302D-13 ~~[-]~~ that is not a conversion  
7 charter school."

8 SECTION 2. Section 302D-3, Hawaii Revised Statutes, is  
9 amended by amending subsection (f) to read as follows:

10 "(f) Five members of the commission shall constitute a  
11 quorum to conduct business ~~[and]~~. Any action taken by the  
12 commission shall be by a simple majority of the members of the  
13 commission who are present; provided that any action of the  
14 commission that may be appealed pursuant to section 302D-15  
15 shall require a concurrence of at least five members ~~[shall be~~  
16 ~~necessary to make any action of the commission]~~ to be valid."

17 SECTION 3. Section 302D-5, Hawaii Revised Statutes, is  
18 amended by amending subsection (b) to read as follows:

19 "(b) An authorizer shall:

20 (1) Act as ~~[the]~~ a point of contact between the department  
21 and a public charter school it authorizes;



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

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

8 (4) Be responsible for the receipt of per-pupil funding  
9 from the department of budget and finance and  
10 distribution of the funding to the public charter  
11 school it authorizes."

12 SECTION 4. Section 302D-12, Hawaii Revised Statutes, is  
13 amended to read as follows:

14 **"§302D-12 Charter school governing boards; powers and**  
15 **duties.** (a) No person may serve on the governing board of a  
16 charter school if the person is an employee or former employee  
17 of any charter school under the jurisdiction of that governing  
18 board, a relative of an employee or former employee of any  
19 charter school under the jurisdiction of that governing board,  
20 or any vendor or contractor providing goods or services to any



1 charter school under the jurisdiction of that governing board,  
2 unless:

3 (1) The person is a former employee of a charter school  
4 under the jurisdiction of that governing board and at  
5 least one year has passed since the conclusion of the  
6 former employee's employment with that charter school;

7 (2) The person is a relative of a former employee of a  
8 charter school under the jurisdiction of that  
9 governing board and at least one year has passed since  
10 the conclusion of the former employee's employment  
11 with that charter school;

12 (3) The person is a vendor or contractor and at least one  
13 year has passed since the conclusion of the vendor or  
14 contractor's service to a charter school under the  
15 jurisdiction of that governing board; or

16 (4) The ~~[person's]~~ person serving on the governing board  
17 shall not cause more than one-third of the voting  
18 members of the governing board to be made up of:

19 (A) Employees or former employees of any charter  
20 school that is under the jurisdiction of that  
21 governing board; provided that this subparagraph



1 shall not include persons who are covered under  
2 paragraph (1);

3 (B) Relatives of employees or of former employees of  
4 any charter school that is under the jurisdiction  
5 of that governing board; provided that this  
6 subparagraph shall not include persons who are  
7 covered under paragraph (2); and

8 (C) Vendors or contractors who are providing goods or  
9 services to any charter school that is under the  
10 jurisdiction of that governing board; provided  
11 that this subparagraph shall not include persons  
12 who are covered under paragraph (3).

13 (b) In selecting governing board members, consideration  
14 shall be given to persons who:

15 (1) Provide the governing board with a diversity of  
16 perspective and a level of objectivity that accurately  
17 represent the interests of the charter school students  
18 and the surrounding community;

19 (2) Demonstrate an understanding of best practices of  
20 nonprofit governance; and



1 (3) Possess strong financial and academic management and  
2 oversight abilities, as well as human resource and  
3 fundraising experience.

4 (c) No employee or former employee of a charter school,  
5 relative of an employee or former employee of a charter school,  
6 or any vendor or contractor providing goods or services to a  
7 charter school may serve as the chair of the governing board of  
8 that charter school unless at least one year has elapsed since  
9 the conclusion of the employee's employment with the school or  
10 the conclusion of a vendor's or contractor's service to the  
11 school; provided that an authorizer may grant an exemption from  
12 the provisions of this subsection based upon a determination by  
13 the authorizer that an exemption is in the best interest of the  
14 charter school.

15 (d) A nonprofit organization that has been approved by an  
16 authorizer to operate and manage a conversion charter school and  
17 serve as the conversion charter school's governing board shall  
18 establish the nonprofit organization's board of directors as the  
19 governing board and shall not be selected pursuant to  
20 subsections (a), (b), and (c); provided that:





- 1        (1) The nonprofit organization may also appoint advisory  
2        groups of community representatives for each  
3        conversion charter school managed by the nonprofit  
4        organization; provided that these groups shall not  
5        have governing authority over the conversion charter  
6        school and shall serve only in an advisory capacity to  
7        the nonprofit organization;
- 8        (2) The board of directors of the nonprofit organization,  
9        as the governing board of the conversion charter  
10       school that it operates and manages, shall have the  
11       same protections that are afforded to all other  
12       governing boards in its role as the conversion charter  
13       school governing body;
- 14       (3) Any conversion charter school that is managed and  
15       operated by a nonprofit organization shall be eligible  
16       for the same federal and state funding as other public  
17       schools; provided that nothing in this section shall  
18       prohibit a nonprofit organization from making a  
19       contribution toward the operation of a conversion  
20       charter school; and



1        (4) If, at any time, the board of directors of the  
2        nonprofit organization governing the conversion  
3        charter school votes to discontinue its relationship  
4        with the charter school as the charter contract  
5        holder, the conversion charter school's  
6        administrators, teachers, or community may submit a  
7        charter application to the authorizer, in accordance  
8        with section 302D-13 to continue as a conversion  
9        charter school without the participation of the  
10       nonprofit organization.

11       ~~[(d)]~~ (e) Section 78-4 shall not apply to members of  
12 governing boards; provided that no governing board member shall  
13 be allowed to serve on more than two governing boards  
14 simultaneously. For purposes of this subsection, a governing  
15 board that governs more than one charter school shall be  
16 considered one board.

17       ~~[(e)]~~ (f) The governing board shall be the independent  
18 governing body of its charter school and shall have oversight  
19 over and be responsible for the financial, organizational, and  
20 academic viability of the charter school, implementation of the  
21 charter, and the independent authority to determine the



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

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

18 ~~[(g)]~~ (h) Charter schools and their governing boards shall  
19 be exempt from the requirements of chapters 91 and 92. The  
20 governing boards shall:

21 (1) Hold meetings open to the public;



- 1 (2) Make available the notices and agendas of public  
2 meetings:
- 3 (A) At a publicly accessible area in the charter  
4 school's office so as to be available for review  
5 during regular business hours; and
- 6 (B) On the charter school's internet website not less  
7 than six calendar days prior to the public  
8 meeting, unless a waiver is granted by the  
9 authorizer or authorizer's designee in the case  
10 of an emergency; and
- 11 (3) Make available the minutes from public meetings within  
12 thirty days and maintain a list of the current names  
13 and contact information of the governing board's  
14 members and officers:
- 15 (A) In the charter school's office so as to be  
16 available for review during regular business  
17 hours; and
- 18 (B) On the charter school's internet website.
- 19 ~~(h)~~ (i) All charter school employees and members of  
20 governing boards shall be subject to chapter 84.



1        ~~[(i)]~~ (j) Governing boards shall be exempt from sections  
2 26-34 and 26-36. The State shall afford the governing board of  
3 any charter school the same protections as the State affords the  
4 board in accordance with section 26-35.5.

5        ~~[(j)]~~ (k) For purposes of this section:

6        "Employees" shall include but not be limited to:

- 7        (1) The chief executive officer, chief administrative  
8           officer, executive director, or otherwise designated  
9           head of a charter school; and
- 10        (2) Any person under an employment contract to serve as  
11           the chief executive officer, chief administrative  
12           officer, executive director, or designated head of a  
13           charter school.

14        "Relative" means a spouse, fiance, or fiancée of the  
15 employee; any person who is related to the employee within four  
16 degrees of consanguinity; or the spouse, fiance, or fiancée of  
17 such person.

18        ~~[(k)]~~ (l) Governing boards shall have the power to make and  
19 execute contracts and all other instruments necessary or  
20 convenient for the exercise of their duties and functions under  
21 this chapter. ~~[Whenever a charter school or governing board~~



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

17 SECTION 5. Section 302D-13, Hawaii Revised Statutes, is  
18 amended to read as follows:

19 "§302D-13 Start-up and conversion charter schools;  
20 establishment. (a) New start-up and conversion charter schools  
21 may be established pursuant to this section.



1 (b) Any community, department school, school community  
2 council, group of teachers, group of teachers and  
3 administrators, or nonprofit organization may submit a letter of  
4 intent to an authorizer to form a charter school[7] and  
5 establish [a] an applicant governing board [as its governing  
6 body, and]. An applicant governing board may develop a charter  
7 application pursuant to [subsection (d).] this section; provided  
8 that:

- 9 (1) An applicant governing board established by a  
10 community may develop a charter application for a  
11 start-up charter school;
- 12 (2) An applicant governing board established by a  
13 department school or a school community council may  
14 develop a charter application for a conversion charter  
15 school;
- 16 (3) An applicant governing board established by a group of  
17 teachers or a group of administrators may develop a  
18 charter application for a start-up or conversion  
19 charter school; and
- 20 (4) A nonprofit organization may:



- 1           (A) Establish an applicant governing board that is
- 2                   separate from the nonprofit organization and
- 3                   develop a charter application for a start-up or
- 4                   conversion charter school; or
- 5           (B) Establish an applicant governing board that shall
- 6                   be the board of directors of the nonprofit
- 7                   organization and may develop a charter
- 8                   application for a conversion charter school;
- 9                   provided that any nonprofit organization that
- 10                  seeks to manage and operate a conversion charter
- 11                  school shall:
- 12                  (i) Submit to the authorizer at the time of the
- 13                    charter application bylaws or policies that
- 14                    describe the manner in which business is
- 15                    conducted and policies that relate to the
- 16                    management of potential conflict of interest
- 17                    situations;
- 18                  (ii) Have experience in the management and
- 19                    operation of public or private schools or,
- 20                    to the extent necessary, agree to obtain





1                   appropriate services from another entity or  
 2                   entities possessing such experience; and  
 3           (iii) Not interfere in the operations of the  
 4                   department school to be converted until  
 5                   otherwise authorized by the authorizer in  
 6                   consultation with the department.

7           (c) The [~~start-up~~] charter school [~~charter~~] application  
 8 process and schedule shall be determined by the authorizer, and  
 9 shall provide for and include, at a minimum, the following  
 10 elements:

11           (1) The issuance and publication of a request for  
 12 proposals by the authorizer on the authorizer's  
 13 internet website that, at a minimum:

14           (A) Solicits charter applications and presents the  
 15 authorizer's strategic vision for chartering;

16           (B) Includes or directs applicant governing boards to  
 17 the performance framework developed by the  
 18 authorizer in accordance with section 302D-16;

19           (C) Includes criteria that will guide the  
 20 authorizer's decision to approve or deny a  
 21 charter application;



- 1            (D) States clear, appropriately detailed questions  
2            and provides guidelines concerning the format and  
3            content essential for applicant governing boards  
4            to demonstrate the capacities necessary to  
5            establish and operate a successful charter  
6            school; and
- 7            (E) Requires charter applications to provide or  
8            describe all essential elements, as determined by  
9            the authorizer, of proposed school plans;
- 10        [~~1~~] (2) The submission of a letter of intent to open and  
11        operate a start-up charter school[+] or to convert a  
12        department school to a conversion charter school;
- 13        [~~2~~] ~~The availability of the charter application form and~~  
14        ~~completion guidelines on the authorizer's website,]~~
- 15        (3) The timely submission of a completed charter  
16        application to the authorizer; provided that a charter  
17        application for a conversion charter school shall  
18        include certification and documentation that the  
19        charter application was approved by a majority of the  
20        votes cast by existing administrative, support, and



1           teacher personnel, and parents of students at the  
2           existing department school; provided that:  
3           (A) This vote shall be considered by the authorizer  
4           to be the primary indication of the existing  
5           administrative, support, and teaching personnel,  
6           and parents' approval to convert to a charter  
7           school;  
8           (B) The balance of stakeholders represented in the  
9           vote and the extent of support received in  
10           support of the conversion shall be key factors,  
11           along with the applicant's proposed plans, to be  
12           considered by the authorizer when deciding  
13           whether to award a charter; and  
14           (C) A breakdown of the number of administrative,  
15           support, and teaching personnel, and parents of  
16           students who constitute the existing department  
17           school and the number who actually participated  
18           in the vote shall be provided to the authorizer;  
19           (4) The timely review of the charter application by the  
20           authorizer for completeness, and notification by the



- 1 authorizer to the applicant governing board that the  
2 charter application is complete;
- 3 (5) Upon receipt of a completed charter application, the  
4 review and evaluation of the charter application by  
5 qualified persons [?] including but not limited to:
- 6 (A) An in-person interview with representatives from  
7 the applicant governing board; and
- 8 (B) An opportunity in a public forum for the public  
9 to provide input on each charter application;
- 10 (6) Following the review and evaluation of a charter  
11 application, approval or denial of the charter  
12 application by the authorizer [?] in a meeting open to  
13 the public;
- 14 (7) A provision for a final date by which a decision to  
15 approve or deny a charter application must be made by  
16 the authorizer, upon receipt of a complete charter  
17 application; and
- 18 (8) A provision that no [~~start-up~~] charter school may  
19 begin operation before obtaining authorizer approval  
20 of its charter application and charter contract and  
21 fulfilling pre-opening requirements that may be



1 imposed by the authorizer[-], pursuant to section  
2 302D-14.5.

3 (d) A charter application to become a start-up or  
4 conversion charter school shall meet the requirements of this  
5 subsection [~~and~~], section 302D-25 [-], and any other requirements  
6 set by the authorizer. The charter application shall, at a  
7 minimum[~~, include the following~~]:

8 (1) [~~A description of employee rights and management~~  
9 ~~issues and a framework for addressing those issues~~  
10 ~~that protects the rights of employees,~~] Include plans  
11 for a charter school that are likely to satisfactorily  
12 meet the academic, financial, organizational, and  
13 operational performance indicators, measures, and  
14 metrics set forth in the authorizer's performance  
15 framework, pursuant to section 302D-16;

16 (2) [~~A plan for identifying, recruiting, and retaining~~  
17 ~~highly qualified instructional faculty as defined by~~  
18 ~~the department,~~] Include plans for a charter school  
19 that is in compliance with applicable laws; and



- 1           (3) ~~[A plan for identifying, recruiting, and selecting~~  
2           ~~students that is not exclusive, elitist, or~~  
3           ~~segregationist, and complies with this chapter;~~
- 4           (4) ~~The curriculum and instructional framework to be used~~  
5           ~~to achieve student outcomes, including an assessment~~  
6           ~~plan;~~
- 7           (5) ~~A plan for the assessment of student, administrative~~  
8           ~~support, and teaching personnel performance that:~~
- 9           ~~(A)] Recognizes the interests of the general~~  
10           ~~public [;] \_~~
- 11           ~~[(B) Incorporates or exceeds the educational content~~  
12           ~~and performance standards developed by the~~  
13           ~~department for the public school system;~~
- 14           (5) ~~(C) Includes a system of faculty and staff~~  
15           ~~accountability that holds faculty and staff~~  
16           ~~individually and collectively accountable for~~  
17           ~~their performance, and that is at least~~  
18           ~~equivalent to the average system of~~  
19           ~~accountability in public schools throughout the~~  
20           ~~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) In reviewing a charter application under this section,  
19 an authorizer shall take into consideration the constitution of  
20 the ~~[applicant's]~~ applicant governing board, terms of applicant



1 governing board members, and the process by which applicant  
2 governing board members were selected.

3 (f) In reviewing charter applications under this section,  
4 an authorizer shall develop a schedule to approve or deny a  
5 charter application by the end of the calendar year prior to the  
6 opening year of the proposed charter school for purposes of  
7 meeting any deadlines to request funding from the  
8 legislature[-]; provided that nothing in this section shall be  
9 construed as requiring an authorizer to accept and review  
10 charter applications annually.

11 (g) If a conflict between the provisions in this section  
12 and other provisions in this chapter occurs, this section shall  
13 control."

14 SECTION 6. Section 302D-14.5, Hawaii Revised Statutes, is  
15 amended as follows:

16 1. By amending subsections (a) through (c) to read:

17 "(a) The authorizer may require [~~a charter~~] an applicant  
18 governing board whose charter application is approved by the  
19 authorizer pursuant to section 302D-13 [~~or 302D-14~~] to  
20 satisfactorily meet pre-contracting criteria set by the





1 authorizer before being allowed to enter into a charter  
2 contract.

3 (b) An approved [~~charter~~] applicant governing board that  
4 fails to satisfactorily meet the pre-contracting criteria and  
5 enter into a charter contract with its authorizer within the  
6 period initially established or subsequently extended by the  
7 authorizer shall be considered to have withdrawn its  
8 application.

9 (c) [~~A charter~~] An applicant governing board shall not be  
10 considered an entity of the State [~~until the~~], but shall have  
11 the authority to execute the initial charter contract; provided  
12 that the term of duration of the initial charter contract shall  
13 not exceed five years, not including the pre-opening period.  
14 Upon the execution of the initial charter contract, the  
15 applicant governing board shall become the governing board of  
16 the newly established pre-opening charter school [~~is established~~  
17 ~~by execution of the charter contract~~]. A pre-opening charter  
18 school that is a conversion charter school shall be a separate  
19 entity of the State from the department school from which it is  
20 converting during the start-up period."

21 2. By amending subsection (f) to read:



1           "(f) An approved [~~charter~~] applicant governing board that  
2 withdraws its application shall not be allowed to execute a  
3 charter contract unless it reapplies and has its charter  
4 application approved by an authorizer in accordance with this  
5 chapter."

6           SECTION 7. Section 302D-17, Hawaii Revised Statutes, is  
7 amended by amending subsection (b) to read as follows:

8           "(b) Each authorizer shall annually publish and provide,  
9 as part of its annual report to the board and the legislature, a  
10 performance report for each public charter school it oversees,  
11 in accordance with the performance framework set forth in the  
12 charter contract and section 302D-16. The authorizer [~~shall~~]  
13 may require each public charter school it oversees to submit an  
14 annual report to assist the authorizer in gathering complete  
15 information about each school. The annual report [~~shall~~] may  
16 include the status of the charter school's compliance with  
17 annual performance targets, as determined by the charter  
18 contract."

19           SECTION 8. Section 302D-21, Hawaii Revised Statutes, is  
20 amended to read as follows:



1           "§302D-21 Annual board report. No later than [~~twenty days~~  
2 ~~prior to the convening]~~ the opening day of each regular session  
3 of the legislature, the board shall issue to the governor, the  
4 legislature, and the public, an annual report on the State's  
5 public charter schools, drawing from the annual reports  
6 submitted by every authorizer, as well as any additional  
7 relevant data compiled by the board, for the school year ending  
8 in the preceding calendar year. The annual report shall  
9 include:

- 10           (1) 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           (2) A line-item breakdown of all federal funds received by  
17           the department and distributed to authorizers;
- 18           (3) Any concerns regarding equity and recommendations to  
19           improve access to and distribution of federal funds to  
20           public charter schools; and



1 (4) A discussion of all board policies adopted in the  
2 previous year, including a detailed explanation as to  
3 whether each policy is or is not applicable to charter  
4 schools."

5 SECTION 9. Section 302D-26, Hawaii Revised Statutes, is  
6 amended by amending subsection (e) to read as follows:

7 "(e) The department shall establish a process that permits  
8 employees of department public schools that become conversion  
9 charter schools pursuant to section [~~302D-14~~] 302D-13 to  
10 transfer to a department public school governed by chapter  
11 302A."

12 SECTION 10. Section 302D-33, Hawaii Revised Statutes, is  
13 amended by amending subsection (a) to read as follows:

14 "(a) The [~~commission~~] authorizer shall [~~develop procedures~~  
15 ~~for obtaining~~] require charter schools to obtain verifiable  
16 information regarding the criminal history of persons who are  
17 employed or seeking employment in any position, including  
18 teacher trainees, that places them in close proximity to  
19 children[~~. These procedures shall include~~], including criminal  
20 history record checks in accordance with section 846-2.7.  
21 Information obtained pursuant to this subsection shall be used



1 exclusively by the [~~employer or prospective employer~~] charter  
2 school for the purpose of determining whether a person is  
3 suitable for working in close proximity to children. All such  
4 decisions shall be subject to applicable federal laws and  
5 regulations."

6 SECTION 11. Section 302D-34, Hawaii Revised Statutes, is  
7 amended by amending subsection (b) to read as follows:

8 "(b) A start-up charter school:

- 9 (1) Shall be open to any student residing in the State who  
10 is entitled to attend a department school;
- 11 (2) Shall enroll all students who submit an application,  
12 unless the number of students who submit an  
13 application exceeds the capacity of a program, class,  
14 grade level, or building; provided that a student who  
15 is currently enrolled in a charter school that has  
16 been notified of the prospect of revocation in  
17 accordance with section 302D-18, or is closing in  
18 accordance with section 302D-19, whichever occurs  
19 first, may be given first priority to enroll at  
20 another charter school to which the student applies,  
21 or placed at the top of the waitlist for enrollment;



- 1           (3) Shall select students through a public lottery if, as  
2           described in paragraph (2), capacity is insufficient  
3           to enroll all students who have submitted a timely  
4           application;
- 5           (4) May give an enrollment preference to students within a  
6           given age group or grade level and may be organized  
7           around a special emphasis, theme, or concept as stated  
8           in the charter school's application and as approved by  
9           the charter school's authorizer;
- 10          (5) May give an enrollment preference to students enrolled  
11          in the charter school during the previous school year  
12          and to siblings of students already enrolled at the  
13          charter school; [~~and~~]
- 14          (6) May give an enrollment preference through a weighted  
15          lottery to educationally disadvantaged students. For  
16          the purposes of this paragraph:
- 17                 "Educationally disadvantaged students" means  
18                 students who are economically disadvantaged, students  
19                 with disabilities, migrant students, limited English  
20                 proficient students, neglected or delinquent students,  
21                 and homeless students.



1                   "Weighted lottery" means any lottery that gives  
2                   additional weight to individual students who are  
3                   identified as part of a specified set of students but  
4                   does not reserve or set aside seats for individual  
5                   students or sets of students; and

6           [+6+] (7) May give any other enrollment preference  
7           permitted by the charter school's authorizer, on an  
8           individual charter school basis, if consistent with  
9           law;

10 provided that nothing in this subsection shall preclude the  
11 formation of a start-up charter school whose mission is focused  
12 on serving students with disabilities, who are of the same  
13 gender, who pose such severe disciplinary problems that they  
14 warrant a specific educational program, or who are at a risk of  
15 academic failure."

16           SECTION 12. Section 302D-14, Hawaii Revised Statutes, is  
17 repealed.

18           ~~["§302D-14 Conversion charter schools; establishment. (a)~~  
19 ~~A conversion charter school may be established pursuant to this~~  
20 ~~section.~~



1       ~~(b) Any department school, school community council, group~~  
2 ~~of teachers, group of teachers and administrators, or nonprofit~~  
3 ~~organization may submit a letter of intent to an authorizer to~~  
4 ~~convert a department school to a charter school, establish a~~  
5 ~~governing board as its governing body, and develop a charter~~  
6 ~~application pursuant to subsection (d).~~

7       ~~(c) The conversion charter school charter application~~  
8 ~~process and schedule shall be determined by the authorizer, and~~  
9 ~~shall provide for and include the following elements:~~

- 10       ~~(1) The submission of a letter of intent to convert to a~~  
11 ~~charter school;~~
- 12       ~~(2) The availability of the charter application form and~~  
13 ~~completion guidelines on the authorizer's website;~~
- 14       ~~(3) The timely submission of a completed charter~~  
15 ~~application to the authorizer; provided that the~~  
16 ~~charter application shall include certification and~~  
17 ~~documentation that the charter application was~~  
18 ~~approved by a majority of the votes cast by existing~~  
19 ~~administrative, support, and teaching personnel, and~~  
20 ~~parents of students at the existing department school;~~  
21 ~~provided that:~~





- 1           ~~(A) This vote shall be considered by the authorizer~~  
2           ~~to be the primary indication of the existing~~  
3           ~~administrative, support, and teaching personnel,~~  
4           ~~and parents' approval to convert to a charter~~  
5           ~~school;~~
- 6           ~~(B) The balance of stakeholders represented in the~~  
7           ~~vote and the extent of support received in~~  
8           ~~support of the conversion shall be key factors,~~  
9           ~~along with the applicant's proposed plans, to be~~  
10           ~~considered by the authorizer when deciding~~  
11           ~~whether to award a charter; and~~
- 12           ~~(C) A breakdown of the number of administrative,~~  
13           ~~support, and teaching personnel, and parents of~~  
14           ~~students who constitute the existing department~~  
15           ~~school and the number who actually participated~~  
16           ~~in the vote shall be provided to the authorizer;~~
- 17           ~~(4) The timely review of the charter application by the~~  
18           ~~authorizer for completeness, and notification by the~~  
19           ~~authorizer to the governing board that the charter~~  
20           ~~application is complete;~~



- 1       ~~(5) Upon receipt of a completed charter application, the~~
- 2           ~~review and evaluation of the charter application by~~
- 3           ~~qualified persons;~~
- 4       ~~(6) Following the review and evaluation of a charter~~
- 5           ~~application, approval or denial of the charter~~
- 6           ~~application by the authorizer;~~
- 7       ~~(7) A provision for a final date by which a decision of~~
- 8           ~~whether to approve or deny a charter application must~~
- 9           ~~be made by the authorizer, upon receipt of a complete~~
- 10          ~~charter application; and~~
- 11       ~~(8) A provision that no conversion charter school may~~
- 12           ~~begin operation before obtaining authorizer approval~~
- 13           ~~of its charter and charter contract and fulfilling~~
- 14           ~~pre-opening requirements that may be imposed by the~~
- 15           ~~authorizer.~~
- 16       ~~(d) A charter application to become a conversion charter~~
- 17       ~~school shall meet the requirements of this subsection and~~
- 18       ~~section 302D-25. The charter application shall include, at a~~
- 19       ~~minimum, the following:~~



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



1                   ~~their performance, and that is at least~~  
2                   ~~equivalent to the average system of~~  
3                   ~~accountability in public schools throughout the~~  
4                   ~~State; and~~

5           ~~(D) Provides for program audits and annual financial~~  
6                   ~~audits;~~

7           ~~(6) A governance structure for the charter school that~~  
8                   ~~incorporates a conflict of interest policy and a plan~~  
9                   ~~for periodic training to carry out the duties of~~  
10                  ~~governing board members;~~

11           ~~(7) A description of the constitution of the governing~~  
12                  ~~board, terms of governing board members, and the~~  
13                  ~~process by which governing board members were~~  
14                  ~~selected;~~

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

21           ~~(9) A facilities plan.~~



1 ~~(c) A nonprofit organization may submit a letter of intent~~  
2 ~~to an authorizer to convert a department school to a conversion~~  
3 ~~charter school, operate and manage the school, establish a~~  
4 ~~governing board as its governing body, and develop a charter~~  
5 ~~application pursuant to subsection (d); provided that:~~

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

16 ~~(2) The charter application for each conversion charter~~  
17 ~~school to be operated by the nonprofit organization~~  
18 ~~shall be formulated, developed, and submitted by the~~  
19 ~~nonprofit organization, and shall be approved by a~~  
20 ~~majority of the votes cast by existing administrative,~~  
21 ~~support, and teaching personnel, and parents of~~



1 ~~students of the existing department school, provided~~  
2 ~~that:~~

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

8 ~~(B) The balance of stakeholders represented in the~~  
9 ~~vote and the extent of support received in~~  
10 ~~support of the conversion shall be a key factor,~~  
11 ~~along with the applicant's proposed plans, in an~~  
12 ~~authorizer's decision to award a charter, and~~

13 ~~(C) A breakdown of the number of administrative,~~  
14 ~~support, and teaching personnel, and parents of~~  
15 ~~students who constitute the existing department~~  
16 ~~school and the number who actually participated~~  
17 ~~in the vote shall be provided to the authorizer;~~

18 ~~(3) The board of directors of the nonprofit organization,~~  
19 ~~as the governing body for the conversion charter~~  
20 ~~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 nothing in this section shall~~  
7 ~~prohibit a nonprofit organization from making a~~  
8 ~~contribution toward the operation of a conversion~~  
9 ~~charter school; and~~

10 ~~(5) If, at any time, the board of directors of the~~  
11 ~~nonprofit organization governing the conversion~~  
12 ~~charter school votes to discontinue its relationship~~  
13 ~~with the charter school, the charter school may submit~~  
14 ~~a revised charter application to the authorizer to~~  
15 ~~continue as a conversion charter school without the~~  
16 ~~participation of the nonprofit organization.~~

17 ~~(f) Any nonprofit organization that seeks to manage or~~  
18 ~~operate a conversion charter school as provided in subsection~~  
19 ~~(e) shall comply with the following at the time of charter~~  
20 ~~application:~~



- 1       ~~(1) Have bylaws or policies that describe the manner in~~  
2           ~~which business is conducted and policies that relate~~  
3           ~~to the management of potential conflict of interest~~  
4           ~~situations;~~
- 5       ~~(2) Have experience in the management and operation of~~  
6           ~~public or private schools or, to the extent necessary,~~  
7           ~~agree to obtain appropriate services from another~~  
8           ~~entity or entities possessing such experience;~~
- 9       ~~(3) Comply with all applicable federal, state, and county~~  
10           ~~laws, including licensure or accreditation, as~~  
11           ~~applicable; and~~
- 12       ~~(4) Comply with any other requirements prescribed by the~~  
13           ~~department to ensure adherence with applicable~~  
14           ~~federal, state, and county laws, and the purposes of~~  
15           ~~this chapter.~~
- 16       ~~(g) In reviewing a charter application for a charter under~~  
17       ~~this section, an authorizer shall take into consideration the~~  
18       ~~constitution of the applicant's governing board, terms of~~  
19       ~~governing board members, and the process by which governing~~  
20       ~~board members were selected.~~





1       ~~(h) In the event of a conflict between the provisions in~~  
2 ~~this section and other provisions in this chapter, this section~~  
3 ~~shall control.~~

4       ~~(i) In reviewing charter applications for a charter under~~  
5 ~~this section, an authorizer shall develop a schedule to approve~~  
6 ~~or deny a charter application by the end of the calendar year~~  
7 ~~for purposes of meeting any deadlines to request funding from~~  
8 ~~the legislature." ]~~

9       SECTION 13. Statutory material to be repealed is bracketed  
10 and stricken. New statutory material is underscored.

11       SECTION 14. This Act shall take effect upon its approval.

12

APPROVED this 12 day of JUN, 2015



GOVERNOR OF THE STATE OF HAWAII