Act 51: Reinventing Education Act of 2004

The legislature finds that significant changes need to be made to enhance Hawaii's public education system to ensure the success of that journey. Although the State's students, parents, teachers, school administrators, departmental staff, and other educational stakeholders strive to achieve excellence, their efforts will never be completely successful until various aspects of the system around them are improved.

The coordinated package of initiatives in this Act aims to implement comprehensive education reform in Hawaii's public schools and shall be known as the "Reinventing Education Act of 2004." Its main elements include:

1. Establishing a weighted student formula;
2. Providing additional information technology;
3. Empowering principals through a Hawaii principals academy and other means;
4. Strengthening community involvement through school community councils and parent-community networking centers;
5. Providing more mathematics textbooks;
6. Lowering class size in kindergarten, grade one, and grade two;
7. Providing full-time, year-round, high school student activity coordinators;
8. Providing support for students who need additional help to succeed in school;
9. Establishing a national board certification incentive program for teachers;
10. Enhancing teacher education;
11. Reducing the bureaucracy that hampers the effectiveness of the department of education;
12. Improving the educational accountability system; and
13. Requiring board of education members to hold community meetings in their districts.

Research shows that student performance is significantly higher in smaller schools. While establishing smaller schools throughout the State is not financially feasible, some schools have taken it upon themselves to create smaller and more manageable learning communities within their schools. Research also strongly supports the need for early childhood education and the establishment of a coherent system that spans all levels of education. The department of education, teamed with the University of Hawaii and Good Beginnings Alliance to create a vision for such a system, which was presented in 2002, is now being implemented.

Despite these efforts, more needs to be done. Currently, public school principals are faced with a nearly impossible task, as they are asked to attend to every detail of operating their schools without enough institutional support or discretion to expend funds. While some support and additional school leadership is provided by the school/community-based management (SCBM) system at many schools throughout the State, SCBM plays a far more limited role at some locations, and has not been implemented at all at others.

Recently, departmental leadership was decentralized through the creation of the complex area system, including the hiring of complex area superintendents. While replacing the old district system with this new structure was an important first step, further changes need to be made to allow meaningful authority to exist as close to the schools as possible. The complex area structure will serve as an excellent base upon which to build these continued reforms. It is the legislature's intent to place a far greater number of decisions, and a much higher percentage of moneys, directly in the hands of individual schools and their leaders.

Another area of improvement necessary to promote excellence in learning is the method by which moneys are allocated to individual schools. Hawaii currently receives high marks nationally for funding...
equity, as being organized as a single unified system enables the State to fairly disburse moneys to schools. In other states, local revenue sources such as property taxes account for a significant portion of school and district funding, resulting in massive financial disparities between schools in more and less affluent areas.

Although the State avoids this particular pitfall, further improvements can be made to ensure that moneys go to the schools that truly have the greatest need, and to place more moneys at the discretion of individual schools. While the current funding system takes into account certain criteria when allocating moneys to schools, it does not comprehensively address the fact that some students are more costly to educate than others. For example, students with special needs, such as those with limited proficiency in English, or who have physical, psychological, or other impediments to learning, are more expensive to teach than students who are not faced with these barriers.

One method that can be used to address these funding issues is a weighted student formula. Under such a system, moneys are allocated to schools based on a system of weighted characteristics that apply to every student in the public schools.

Under a weighted student formula there are several advantages. Among other things:

1. The relative cost of educating students can be much more accurately assessed, based upon the unique learning needs of each student;

2. Funds follow students to whichever school they attend; and

3. The budget process becomes more transparent as it is based on dollars, not staff positions.

However, establishing a weighted student formula cannot be effective in a vacuum. Other reform measures must be implemented as well. Principals will be empowered to act as the educational leaders of their schools, with more authority relating to budgeting, and more flexibility to expend funds. With these expanded powers, principals will be held accountable for their performance through a system that includes rewards, assistance, and sanctions. Principals will also need more training and support if they are required to take on additional duties, and are expected to advance student success. Furthermore, community involvement and support of schools will need to be enhanced if schools are to work effectively.

The department of education is also faced with significant impediments that will likely reduce its ability to effectively implement the weighted student formula. With educational responsibilities spread throughout numerous state agencies, there are various roadblocks to progress that could prevent the department of education and individual schools from successfully performing their duties and effectively using a new funding system.

The legislature finds that a comprehensive effort addressing all of these issues is required for Hawaii’s public schools to maximize student achievement. Accordingly, the purpose of this Act is to enhance educational outcomes in Hawaii’s public schools by:

1. Implementing the weighted student formula by:

   A. Requiring the department of education to provide supplementary allocations to those schools whose budgets are adversely affected by the weighted student formula for no more than three years beginning with the 2006-2007 school year;

   B. Establishing a committee on weights within the department of education to determine the unit value of student weights and recommend a weighted student formula to the board of education at least annually, and appropriating $10,000 to support the operation of the committee;

   C. Requiring the department of education to adopt a weighted student formula in allocating funds to public schools;

   D. Appropriating $2,000,000 to the department of education to facilitate field support, security, and privacy for the telecommunications network, and training regarding information technology infrastructure used to enhance accountability, compliance with the federal No Child Left Behind Act of 2001, and implementation of school reform including the weighted student formula;

2. Supporting and empowering principals by:

   A. Requiring the department of education, with the invited participation of the exclusive bargaining agent of educational officers of the department of education, to propose salary schedules and other terms and conditions of employment of principals and vice principals based upon a twelve-month term of service, and report findings back to the legislature no later than twenty days prior to the regular session of 2005;

   B. Requiring the board of education to classify all educational officer positions of the department of education to adopt two separate classification/compensation plans for educational officers:

      i. One for principals and vice principals (based on the general pattern of a school administrator’s career development and associated school administrator’s qualification requirements); and

      ii. One for all other educational officers (reflective of the career development pattern and qualification requirements for the respective professional field of expertise), and including classification appeals procedures for both;

   C. Convening a working group to create a plan for the implementation of performance contracts for principals;

   D. Establishing a Hawaii principals academy to support and train complex area superintendents, principals, and prospective principals, and appropriating $500,000 to operate the academy;

   E. Clarifying the authority and responsibility of principals;

   F. Appropriating $183,780 to operate the department of education’s administrator certification for excellence (ACE) program; and

   G. Appropriating $400,000 to compensate principals recalled to work Act 51: “Reinventing Education Act of 2004” as amended – Page 2 of 16
by the department, outside of their regular term of service, for professional development and any other activities that may enhance their effectiveness as leaders of their schools;

(4) Enhancing community involvement in schools by:

(A) Appropriating $350,000 for training and other activities needed to facilitate the transition from the current SCBM system into a mandatory school community council system to be implemented at each public school, excluding new century charter schools and new century conversion charter schools;

(B) Clearly articulating the balance and reciprocity of powers and responsibilities between the principal and school community council; and

(C) Appropriating $1,743,900 to support and enhance parent-community networking centers;

(5) Directly, concretely supporting the academic achievement and holistic development of students by:

(A) Appropriating $2,500,000 for mathematics textbooks and other mathematics learning materials in schools; provided that mathematics curriculum is aligned within the school complex;

(B) Appropriating $2,143,350 to reduce class size in kindergarten, grade one, and grade two by hiring seventy-five elementary school teachers;

(C) Appropriating $460,000 for full-time, year-round, high school student activity coordinators; and

(D) Appropriating $100,000 for programs that support parents in working with students who need additional help to succeed in school; provided the programs have measurable outcomes;

(6) Directly, concretely supporting teachers by:

(A) Establishing a national board certification incentive program to be administered by the Hawaii teacher standards board to continue comparable efforts initiated under a memorandum of understanding between the department of education and Hawaii teacher standards board which expires on June 30, 2005, and appropriating $480,000 to execute the memorandum of understanding during fiscal year 2004-2005;

(B) Appropriating $92,000 for the administration of the Hawaii teacher standards board; and

(C) Increasing the pool of qualified teachers and administrators by appropriating $500,000 to fund seven teacher education positions and one education administration faculty position at the college of education of the University of Hawaii;

(7) Reducing bureaucracy that hampers the effectiveness of the department of education by:

(A) Requiring the department of education to convene an interagency working group to address systemic impediments to the efficient management and operation of schools;

(B) Transferring certain key functions from various state agencies to the department of education; and

(C) Requiring the board of education to adopt a single school calendar for all public schools to apply beginning with the 2006-2007 school year;

(8) Enhancing educational accountability by:

(A) Requiring academic achievement, safety and well being, and civic responsibility of individual students to be assessed and tracked;

(B) Expanding the accountability provision to include fiscal accountability;

(C) Including complex area superintendents and principals in the accountability system;

(D) Requiring clear, easily understandable report cards on key performance indicators for schools, school complexes, and the public school system; and

(E) Requiring the board of education to hold community meetings in each school district;

(9) Appropriating $400,000 for the piloting of school community councils and development of academic and financial plans at selected schools prior to the statewide implementation of the weighted student formula; and

(10) Requiring the department of education to submit findings and recommendations to the legislature prior to the 2005 regular session relating to the implementation of this Act.

PART II
WEIGHTED STUDENT FORMULA

SECTION 2. The department of education, from within appropriations provided to the department of education, shall provide supplementary allocations to those schools whose budgets are adversely affected upon the implementation of the weighted student formula, as determined by the superintendent, for no more than three years beginning with the 2006-2007 school year.

SECTION 3. Chapter 302A, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§302A- Committee on weights. (a) There is established within the department of education the committee on weights to develop a weighted student formula pursuant to section 302A-. The committee shall:

(1) Create a list of student characteristics that will be weighted;

(2) Create a system of weights based upon the student characteristics that may be applied to determine the relative cost of educating any student;

(3) Determine specific student weights, including their unit value;

(4) Determine which moneys shall be included in the amount of funds to be allocated through the weighted student formula;

(5) Recommend a weighted student formula to the board of education;

(6) Perform any other function that may facilitate the implementation of the weighted student formula; and
(7) Meet not less than annually to review the weighted student formula and, if the committee deems it necessary, recommend a new weighted student formula for adoption by the board of education.

(b) The composition of the committee on weights shall be determined by the board of education based on recommendations from the superintendent of education and dean of the University of Hawaii at Manoa college of education and include principals, teachers, and other members with the appropriate professional skills, experiences, and qualifications needed to facilitate the work of the committee. The superintendent or the superintendent’s designee shall chair the committee on weights.

(c) The committee on weights may form advisory subcommittees to obtain input from key stakeholders as determined necessary by the committee.

(d) The members of the committee on weights shall serve at the pleasure of the board of education and shall not be subject to section 26-34. Members of the committee on weights shall serve without compensation but shall be reimbursed for expenses, including travel expenses, necessary for the performance of their duties.”

SECTION 4. Chapter 302A, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§302A- Weighted student formula. Based upon recommendations from the committee on weights, the board of education, not less than annually, shall adopt a weighted student formula for the allocation of moneys to public schools which takes into account the educational needs of each student. The department, upon the receipt of appropriated moneys, shall use the weighted student formula to allocate funds to public schools. Principals shall expend moneys provided to the principals’ schools. This section shall only apply to new century charter schools and new century conversion charter schools for fiscal years in which the new century charter schools and new century conversion charter schools elect pursuant to section 302A- to receive allocations according to the weighted student formula.

SECTION 5. Section 302A-101, Hawaii Revised Statutes, is amended by amending the definition of “public schools” to read as follows:

"Public schools’ means all academic and noncollege type schools either established and maintained by the department, or issued a charter by the board of education, in accordance with law. All other academic and noncollege type schools are “private schools”, irrespective of the hours during which the sessions take place."

SECTION 6. Chapter 302A, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

"Weighted student formula” means a formula for allocating operating moneys to individual public schools that includes a system of weighted characteristics affecting the relative cost of educating each student attending a public school."

SECTION 7. There is appropriated out of the general revenues of the State of Hawaii the sum of $10,000, or so much thereof as may be necessary for fiscal year 2004-2005, to support the operations of the committee on weights.

SECTION 8. The sum appropriated shall be expended by the department of education for the purposes of this part.

PART III INFORMATION TECHNOLOGY

SECTION 9. The department of education uses technology to support instructional, student information, fiscal, human resources, and outcome-based research systems. To meet the information needs of the principals, teachers, and the school community councils as they develop academic and fiscal plans for individual schools, the requirements of the No Child Left Behind Act, and the Felix consent decree, the department must improve its administrative support information systems.

SECTION 10. There is appropriated out of the general revenues of the State of Hawaii the sum of $2,000,000, or so much thereof as may be necessary for fiscal year 2004-2005, for:

(1) Positions to provide technical support to school level information systems uses; (2) Infrastructure to meet the security and privacy requirements of the telecommunications network; (3) Customization of the student information system software; and (4) Training regarding the use of information technology.

SECTION 11. The sum appropriated shall be expended by the department of education for the purposes of this part.

PART IV PRINCIPALS

SECTION 12. The department of education, with the invited participation of the exclusive bargaining agent of educational officers of the department of education, shall propose salary schedules and other terms and conditions of employment of principals and vice principals based upon a twelve-month term of service. The department of education shall submit their findings to the legislature no later than twenty days prior to the convening of the regular session of 2005.

SECTION 13. Section 302A-619, Hawaii Revised Statutes, is amended to read as follows:

"§302A-619 Classification, educational officers. The board shall classify all educational officer positions of the department and shall adopt two separate classification/compensation plans for educational officers. One classification/compensation plan shall be for principals and vice principals and shall be based on the general pattern of a school administrator’s career development and associated school administrator’s qualification requirements. A separate classification/compensation plan shall be for all other educational officers and shall be reflective of the career development pattern and qualification requirements for the respective professional field of expertise; provided that both classification/compensation plans shall include classification appeals procedures."

SECTION 14. The superintendent of education shall select and convene a working group to create a plan for
performance contracts for principals to be implemented beginning with the 2006-2007 school year. The working group shall include:

(1) The superintendent of education;
(2) Representatives of complex area superintendents;
(3) Representatives of school principals; and
(4) Representatives of any other agency, organization, or group as deemed appropriate by the superintendent of education.

The superintendent shall request the exclusive representative for collective bargaining unit 6 to participate in the working group.

The working group shall:

(1) Establish appropriate performance criteria which shall be used in individual performance contracts for principals, including:

(A) Core criteria to be incorporated into performance contracts statewide; and
(B) Criteria that may be used at the discretion of individual schools;

(2) Determine appropriate performance benchmarks, or methods of devising performance benchmarks, that may be used to assess principal performance relative to expected standards; provided that such performance benchmarks, at a minimum, shall include those elements related to principals in the educational accountability system;

(3) Determine appropriate rewards, assistance, and sanctions to be included or considered for inclusion in performance contracts; and

(4) Address any other issues necessary for the implementation of performance contracts.

The department of education shall submit findings, including proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2005.

SECTION 15. Chapter 302A, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§302A- Hawaii principals academy. There is established within the department the Hawaii principals academy. The academy shall support and train department complex area superintendents, principals, and prospective principals in areas including but not limited to:

(1) Becoming better leaders;
(2) Improving students’ academic achievement, safety and well being, and civic responsibility;
(3) Collaborating with the school community councils;
(4) Developing curriculum alignment;
(5) Managing school budgets; and
(6) Establishing partnerships with the private sector."

SECTION 16. Section 302A-1103, Hawaii Revised Statutes, is amended to read as follows:

"§302A-1103 Principal; authority and responsibility. The role of the principal shall include but not be limited to overseeing the day-to-day management of the school, the primary function of which is to develop and deliver instructional services to students in accordance with statewide educational policy and to enable students to meet or exceed statewide academic standards. The principal shall:

(1) Ensure that the curriculum facilitates the achievement of the statewide student performance standards adopted for the public school system;

(2) Develop and present to the school community council for its review and approval, academic and financial plans relating to the school;

(3) Exercise authority over the implementation of the budget, policies, and operations of the school; and

(4) Collaborate with other principals in the principal’s school complex to ensure that:

(A) Logical, sequential curricula are adopted within the school complex;
(B) Best practices are shared among and implemented by schools within the school complex;
(C) The goals and objectives of the school complex are being met;
(D) The use of school complex-based personnel and contractors who divide their time between more than one school in a school complex is coordinated to maximize efficiency; and
(E) The passage of students through the continuum of grades is coordinated in a manner consistent with section 302A-1004."

SECTION 17. There is appropriated out of the general revenues of the State of Hawaii the sum of $1,083,780, or so much thereof as may be necessary for fiscal year 2004-2005, to be expended as follows:

(1) $500,000 to establish and operate the Hawaii principals academy;
(2) $183,780 for the operation of the administrator certification for excellence (ACE) program; and
(3) $400,000 to compensate principals who are recalled to work by the department, outside of their regular term of service, for professional development and any other activities that may enhance their effectiveness as leaders of their schools.

SECTION 18. The sum appropriated shall be expended by the department of education for the purposes of this part.

PART V COMMUNITY INVOLVEMENT

SECTION 19. One of the most important means of improving educational outcomes and public confidence in those outcomes in schools is by enhancing community involvement. This part seeks to accomplish this by:

(1) Establishing school community councils for each public school, excluding new century charter schools and new century conversion charter schools, to provide a mechanism whereby parents, the community,
and other key stakeholders can have a substantially increased voice in the affairs of their local schools, with a clear and concrete enunciation of powers and responsibilities, and how these are shared with those of the principal; and

(2) Supporting and enhancing parent-community networking centers, a mechanism for improving community and parental involvement with a proven track record of success.

The legislature finds that there is also overwhelming research evidence of the critical need for an integrated comprehensive system of family support, parent education, teacher-parent partnerships, and volunteer and resource development.

Parent-community networking centers serve to create supportive partnerships among the home, school, and community for the purposes of improving student achievement and building a sense of family among all.

The purpose of this part is to:

(1) Establish school community councils at each school, excluding new century charter schools and new century conversion charter schools; and

(2) Appropriate funding for:

(A) Facilitating the transition from school/community-based management to school community councils by training and other necessary activities; and

(B) Parent-community networking centers for:

(i) Supplies, equipment, and telephones; and

(ii) A minimum of one part-time parent facilitator in each school.

SECTION 20. School/community-based management councils shall prepare for the transition to school community councils pursuant to this section in the 2005-2006 school year. All policies or bylaws adopted, and all decisions made, by a school/community-based management council shall remain in effect until repealed or revised by members of the new school community council. The department of education shall ensure that schools not participating in the school/community-based management system are prepared for the implementation of school community councils in the 2005-2006 school year.

SECTION 21. Section 89-10.6, Hawaii Revised Statutes, is amended to read as follows:

"§89-10.6 Schools; waiver of policies, rules, or procedures. Any school may initiate a waiver from policies, rules, or procedures, including collective bargaining agreements, as provided for in section 302A-1126."

SECTION 22. Section 302A-101, Hawaii Revised Statutes, is amended by deleting the definition of "school/community-based management system".

SECTION 23. Section 302A-202, Hawaii Revised Statutes, is repealed.

SECTION 24. Section 302A-601, Hawaii Revised Statutes, is repealed.

SECTION 25. Section 302A-1124, Hawaii Revised Statutes, is amended to read as follows:

"§302A-1124 Mandate to initiate school community councils. (a) The department, through the board and its superintendent, shall establish a school community council system under which each public school, excluding new century charter schools and new century conversion charter schools, shall create and maintain a school community council. Each school community council shall:

(1) Review and evaluate the school’s academic plan and financial plan, and either recommend revisions of the plans to the principal, or recommend the plans for approval by the complex area superintendent;

(2) Ensure that the school’s academic and financial plans are aligned with the educational accountability system under section 302A-1004;

(3) Participate in principal selection and evaluation, and transmit any such evaluations to the complex area superintendent; and

(4) Provide collaborative opportunities for input and consultation.

(b) School community councils shall be exempt from the requirements of chapters 91 and 92. The school community councils shall:

(1) Make available the notices and agendas of public meetings:

(A) At a publicly accessible area in the school’s administrative office so as to be available for review during regular business hours; and

(B) On the school’s Internet web site, not less than six calendar days prior to the public meeting, unless a waiver is granted by the superintendent in the case of an emergency; and

(2) Make available the minutes from public meetings on a timely basis in:

(A) The school’s administrative office so as to be available for review during regular business hours; and

(B) On the school’s Internet web site.

(c) Complex area superintendents may require revisions to a school’s academic and financial plans if the plans are in violation of law or conflict with statewide educational policies and standards, or are otherwise in the best interests of the school.

(d) The superintendent of education may recommend to the board of education dissolution of a school community council and establish an interim school community council if the school community council engages in any act or omission that would constitute gross negligence, willful and wanton misconduct, or intentional misconduct. The superintendent may recommend to the board the removal of any member of a school community council. The superintendent shall appoint or facilitate the creation of an interim school community council at any school that has not established a council or has had its council dissolved. In appointing or facilitating the creation of an interim school community council at any school that has had its council dissolved, the superintendent may appoint individuals who were previously members of the council.

(e) Unless otherwise specified, each school community council shall establish policies governing the council’s
composition, election, staggered terms of office for members, operation, and vacancies; provided that:

(1) The number of school personnel in any school community council shall be equal to the number of primary stakeholders on the school community council;

(2) At the elementary and middle school levels, each school community council shall be composed of the principal and at least one member representing each of the following groups:

(A) Parents elected by ballots distributed among and collected from the parents of the school’s students;

(B) Teachers elected by ballots distributed among and collected from teachers of the school;

(C) Noncertificated school personnel elected by ballots distributed among and collected from noncertificated personnel of the school;

(D) Community representatives elected by ballots distributed among and collected from parents of the school’s students; and

(E) Student representatives selected by the student council of the school.

For the purposes of this subsection, “primary stakeholders” means students, parents, and community members.

(f) School community councils shall elect officers, including:

(1) A chairperson;

(2) A vice-chairperson;

(3) A secretary; and

(4) Other officers as needed to perform stated duties in support of the work of the council.

(g) The principal shall have the authority to set aside any decision made by the school community council if the principal determines it to be in the best interests of the school; provided that the principal notifies the school community council. If the school community council opposes a decision of the principal, an appeal shall first be brought to the complex area superintendent for resolution and, if necessary, to the superintendent and, finally, to the board of education.

(1) $350,000 for training and other activities needed to facilitate the transition from school/community-
based management councils to school community councils; and

(2) $1,743,900 for parent-community networking centers including:
(A) $483,000 for supplies, equipment, and telephones; and
(B) $1,260,900 for a minimum of one part-time parent facilitator in each school.

SECTION 33. The sum appropriated shall be expended by the department of education for the purposes of this part.

PART VI
STUDENTS

SECTION 34. Ultimately all education reform must be driven by the needs of students. Students are the primary clients served by the public education system and they must be served well by providing them with access to the tools they need to succeed, a nurturing environment conducive to learning, and supplementary opportunities for growth that facilitate their development.

The legislature finds that much of an individual's cognitive, emotional, and social development takes place in their earliest years of life. To a significant extent, opportunities during this age set the parameters for an individual's development throughout the rest of the individual's life. The legislature further finds that grade three is a pivotal year in preparation for the No Child Left Behind Act's assessment plans. For this reason, children in the preceding grades should be provided with the instructional support needed to ensure superior performance in assessment instruments mandated by the No Child Left Behind Act.

For these reasons, the Legislature finds that a class size of not more than twenty-five students per teacher to be advisable in kindergarten, grade one, and grade two classrooms.

The purpose of this part is it to appropriate funding to:

(1) Provide mathematics textbooks and other mathematics learning materials;

(2) Reduce class size in kindergarten, grade one, and grade two;

(3) Provide for full-time, year-round, high school student activity coordinators; and

(4) Programs that support parents in working with students who need additional help to succeed in school provided the programs have measurable outcomes.

SECTION 35. There is appropriated out of the general revenues of the State of Hawaii the sum of $5,203,350, or so much thereof as may be necessary for the fiscal year 2004-2005, to be expended as follows:

(1) $2,500,000 to purchase mathematics textbooks and other mathematics learning materials for schools; provided that the mathematics curriculum within a school complex shall be aligned;

(2) $2,143,350 to reduce class size in kindergarten, grade one, and grade two in public schools, excluding new century charter schools and new century conversion charter schools, by hiring seventy-five full time equivalent (75.00 FTE) regular elementary teachers for kindergarten, grade one, and grade two;

(3) $460,000 for full-time, year-round, high school student activities coordinators in all public high schools; and

(4) $100,000 for programs that support parents in working with students who need additional help to succeed in school provided the programs have measurable outcomes.

SECTION 36. The sum appropriated shall be expended by the department of education for the purposes of this part.

PART VII
TEACHERS

SECTION 37. The National Commission on Teaching and America’s Future, a national organization with twenty partner states, including Hawaii, is focused on improving student learning by ensuring that there is a caring, competent, and qualified teacher in every classroom.

The Hawaii policy group of the National Commission on Teaching and America’s Future, composed of a representative group of educational stakeholders, completed an inventory of state policies relating to teacher quality and, based on this inventory, made recommendations for improving teaching in Hawaii.

Other than home and societal factors, teacher quality was determined to be the single most influential factor in student achievement. National board certification prompts candidates to analyze their practice in very profound ways. It is, therefore, important to continue to identify, support, recognize, and reward public school teachers who voluntarily undergo the national board certification process.

National board certification requires a tremendous commitment of time and professional risk-taking. The application fee represents a large financial investment. To be successful, certification candidates need a strong support program, access to the program and testing facilities, and release days to organize and prepare the documents and portfolio required for submittal.

The legislature finds that, in addition to supporting and recognizing highly accomplished teaching, the overall pool of qualified teachers in the State of Hawaii should be expanded. Currently the University of Hawaii lacks the stable, ongoing resource base needed to fund college of education faculty positions necessary to produce enough teachers for Hawaii's public schools.

While the department of education hires over one thousand three hundred new teachers each year, the college of education of the University of Hawaii at Manoa and the education department of the University of Hawaii at Hilo are only able to prepare four hundred to four hundred fifty teachers each year.

Furthermore, the legislature also finds that there is a shortage of school principals, necessitating additional faculty in the area of educational administration.

The purpose of this part is to:

(1) Establish a national board certification incentive program to be
administered by the Hawaii teacher standards board to continue comparable efforts initiated under a memorandum of understanding between the department of education and Hawaii teacher standards board which expires on June 30, 2005, and appropriate funding to execute the memorandum of understanding during fiscal year 2004-2005;

(2) Appropriate funding to the Hawaii teacher standards board to provide training and support for national board certification applicants; and

(3) Appropriate funding for eight faculty positions at the college of education of the University of Hawaii.

SECTION 38. Chapter 302A, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§302A- Teacher national board certification incentive program. (a) There is established within the department the teacher national board certification incentive program to recognize and support exemplary teaching practice by supporting public school teachers who have achieved national board certification under the certification program of the National Board for Professional Teaching Standards. The teacher national board certification incentive program shall provide:

(1) A $5,000 bonus per year for each public school teacher who maintains current national board certification;

(2) $1,500 upon completing the certification program of the National Board for Professional Teaching Standards; and

(3) A reimbursement of the remainder of the national board certification application fee upon achievement of national board certification.

(b) The incentive program shall include a mentoring component that encourages and enables national board-certified teachers to assist other teachers and share their teaching expertise."

SECTION 39. There is appropriated out of the general revenues of the State of Hawaii the sum of $572,000, or so much thereof as may be necessary for fiscal year 2004-2005, to be expended as follows:

(1) $480,000 to provide salary differentials and reimbursements for national board certification candidate support to public school teachers, including those of new century charter schools and new century conversion charter schools; and

(2) $92,000 for training, assistance, conducting candidate recognition initiatives, and operational expenses, including the establishment of a temporary position, associated with national board certification candidate support by the Hawaii teacher standards board.

The sum appropriated shall be expended by the department of education for the purposes of this part.

SECTION 40. There is appropriated out of the general revenues of the State of Hawaii the sum of $500,000, or so much thereof as may be necessary for fiscal year 2004-2005, for seven full-time equivalent (7.00 FTE) teacher education positions and one full-time equivalent (1.00 FTE) educational administration position.

The sum appropriated shall be expended by the University of Hawaii for the purposes of this part.

PART VIII REDUCTION OF BUREAUCRACY

SECTION 41. A wide variety of state agencies perform many services for the department of education. In some cases this is an efficient, cost-effective means of organizing state government. The legislature finds that that in other cases, however, this system hampers the efficiency of the State's public educational system. The services provided to the department of education by the department of accounting and general services, department of budget and finance, department of human resources development, department of the attorney general, and department of human services need to be scrutinized to reduce bureaucracy and improve the responsiveness and service delivery of the department of education. Such a reorganization is an integral part of a comprehensive, multi-faceted education improvement initiative. However, it is also clearly a significant reorganization of state government and must be taken with prudent precaution at each step. For that reason, each phase in the reduction of bureaucracy, with targeted transfer dates of certain key rights, powers, functions, duties, and resources from various state agencies to the department of education, is subject to repeal by subsequent legislation.

SECTION 42. (a) The department of education shall convene an interagency working group to develop comprehensive plans for transferring certain rights, powers, functions, duties, and resources, including positions, from the departments of accounting and general services, budget and finance, health, human resources development, the attorney general, and human services to the department of education. Rights, powers, functions, duties, and resources including positions to be transferred shall include but not be limited to:

(1) The expending of capital improvement funds for construction of new school facilities and resources, for repairs and maintenance services;

(2) The funding of collective bargaining agreement increases;

(3) The securing, administering, use, and expending of federal funds and other aid, including their custodial supervision;

(4) The capital improvement project allotment process;

(5) The determination of retirement and other employee benefits;

(6) The operation of a human resources system including the recruitment, certification, examination, management, classification, and compensation of department of education employees and labor relations;

(7) Negotiating workers' compensation claims and labor-management relations within the department of education;

(8) Conducting employment background checks for the after-school plus program, private vendors, and other
employees and trainees who work with public school students; and

(9) School health aides.

(b) The comprehensive plans shall identify:

(1) Each position to be transferred by position number; and

(2) All moneys budgeted in support of each position to be transferred, including moneys for direct and indirect employee benefits, at the lowest level on the state program structure.

(c) The working group shall include the following individuals or their designees:

(1) The superintendent of education;

(2) The comptroller;

(3) The director of human resources development;

(4) The director of human services;

(5) The director of health;

(6) The director of finance;

(7) The attorney general;

(8) The exclusive bargaining agents of affected employees; and

(9) Any community members that may be appointed by the superintendent.

(d) The department of education may recommend to the legislature deletion or addition of rights, powers, functions, duties, and resources, including positions, that are to be transferred as a result of the working group’s deliberations which shall be included and reflected in the required plans and legislation. The working group shall submit its comprehensive plans, including proposed legislation, to implement the transfer of rights, powers, functions, duties, and resources, including positions relating to the:

(1) Department of accounting and general services and department of human resources development not less than thirty days prior to the convening of the regular session of 2005; and

(2) Department of budget and finance, department of the attorney general, department of health, and department of human services not less than thirty days prior to the convening of the regular session of 2006.

SECTION 43. The working group on interagency relations shall cease to exist on June 30, 2007.

SECTION 44. All the rights, powers, functions, duties, and resources, excluding positions unless transferred under the Supplementary Appropriations Act of 2004, of the department of accounting and general services relating to school physical plant operations and maintenance, including moneys in:

(1) The state educational facilities repair and maintenance account; and

(2) The school physical plant operations and maintenance account; are transferred to the department of education effective July 1, 2004.

SECTION 45. All the rights, powers, functions, duties, and personnel relating to the Hawaii 3R’s school repair and maintenance fund, are transferred to the department of education effective July 1, 2004.

SECTION 46. (a) All the rights, powers, functions, duties, and resources of:

(1) The department of accounting and general services relating to capital improvement programs, including the:

(A) Expending of capital improvement funds for the acquisition and development of land, the design and construction of new facilities, and the making of renovations or additions to existing facilities, including moneys in the state educational facilities improvement special fund; and

(B) Securing, administering, use, and expending of federal funds and other aid, including their custodial supervision;

(2) The department of the attorney general relating to:

(A) The negotiating of workers’ compensation claims; and

(B) Labor-management relations within the department of education;

(3) The department of human services relating to the conducting of employment background checks for the after-school plus program, private vendors, and other employees and trainees who work with public school students; and

(4) The department of health relating to school health aides and public
health nurses who supervise school health aides; are transferred to the department of education effective July 1, 2006, subject to repeal by subsequent legislation.

(b) All moneys budgeted in support of each position to be transferred to the department of education, including moneys for direct and indirect employee benefits, are transferred to the department of education effective July 1, 2006, subject to repeal by subsequent legislation.

SECTION 48. All resources, appropriations, records, equipment, databases, software, programming, machines, files, supplies, contracts, books, papers, documents, maps, and other personal property heretofore made, used, acquired, or held by the department of accounting and general services, department of budget and finance, department of human services, and department of health relating to the functions transferred to the department of education shall be transferred with the functions to which they relate.

SECTION 49. No later than July 1, 2005, the board of education shall adopt a single school calendar for all public schools beginning with the 2006-2007 school year, provided that this section shall not apply to multi-track schools, new century charter schools, and new century conversion charter schools.

SECTION 50. Section 36-35, Hawaii Revised Statutes, is amended as follows:

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

"(a) There is created in the state general fund under EDN 100 (school based budgeting) the state educational facilities repair and maintenance account, into which shall be deposited legislative appropriations to the account designated for use solely to eliminate the backlog of school repair and maintenance projects, including the repair or replacement of fixtures, furnishings, and equipment, existing on June 30, 2000. Expenditures from the account shall be subject to sections 37-31 and 37-33 to 37-40. Based on the prioritization approved by the department of education as prescribed by section 302A-1505, appropriations or authorizations from the account shall be expended by the superintendent of education.

(b) The department of education shall review the existing condition of school facilities and establish specific vision plans for each school complex based on current repair and maintenance requirements and overall repair and maintenance priorities."

2. By amending subsections (e), (f), and (g) to read:

"(e) The expenditure of funds for any project with an estimated total cost of less than $100,000 shall be exempt from chapter 103D and section 464-4; provided that:

(1) The superintendent of education shall develop internal policies and procedures for the procurement of goods, services, and construction, consistent with the goals of public accountability and public procurement practices, but not subject to chapter 103D. However, where possible, the superintendent of education is encouraged to use the provisions of chapter 103D; provided that the use of one or more provisions of chapter 103D shall not constitute a waiver of the exemption of chapter 103D and shall not subject the superintendent of education to any other provision of chapter 103D;

(2) Insofar as is practical, and based on specifications developed, adequate and reasonable competition of no fewer than three proposals shall be solicited for each project, based on rules adopted by the superintendent of education;

(3) Considering all factors, including quality, warranty, and delivery, the award shall be made to the vendor with the most advantageous proposal;

(4) The procurement requirements shall not be artificially divided or parcelled so as to avoid competitive bidding or competitive proposals; and

(5) Formal design for projects shall be done when there is a clear need to preserve structural integrity, health and safety, or to clearly communicate construction requirements.

For all projects, the superintendent of education shall develop a strategy for the efficient and cost-effective use of government and private-sector workforces and consider increased flexibility through public-private partnering, design-build options, cost plus, job order contracts, performance-based contracts, request for proposals, and any other means to improve communications and accelerate repairs while preserving the quality of the repairs.

(f) The superintendent of education shall ensure that all repair and maintenance projects achieve maximum cost-efficiency by emphasizing functional or performance criteria, uniformity of design, and commonality of products, and by avoiding unique or custom requirements that increase costs. The superintendent of education shall develop project specifications based on generic specifications or prescriptive specifications using standard commercial products. Prescriptive specifications may include a qualified product list.

For the purposes of this subsection:

"Generic specification" means a technical specification that is written in a clear, unambiguous, and nonrestrictive manner establishing:

(1) Design, performance, or functional requirements to identify the work to be performed; and

(2) Material standards to be used on a project.

"Prescriptive specification" means a technical specification:

(1) Establishing that the required work to be performed is written in a clear, unambiguous, and nonrestrictive manner; and

(2) Listing manufacturers or products that are acceptable for use on the project.

"Standard commercial product" means a product or material that in the normal course of business is customarily maintained in stock by, or readily available for marketing from a manufacturer, distributor, or dealer.

This subsection shall not apply to any school facility designated a historic property pursuant to section 6E-5.5.
(g) The superintendent of education shall submit an annual report to the legislature, which shall include a financial statement of the account and the status of repair and maintenance projects undertaken pursuant to this section, no later than twenty days prior to the convening of each regular session. Expenditures for repair and maintenance projects undertaken pursuant to this section shall be posted electronically on the Internet by the department of education within thirty days of each project's completion.”

SECTION 51. Section 36-36, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

"(a) There is created in the state general fund under [AGS 807 (physical plant operations and maintenance)] EDN 400 (school support) the school physical plant operations and maintenance account, into which shall be deposited all legislative appropriations to the account.

The moneys in the account shall be used solely for school repairs and preventive maintenance projects scheduled after June 30, 2001. Expenditures from the account shall be subject to sections 37-31 and 37-33 to 37-40. Based on the prioritization approved by the department of education as prescribed by section 302A-1505, appropriations or authorizations from the account shall be expended by the superintendent of education.”

2. By amending subsections (d) and (e) to read:

"(d) The expenditure of funds made under this Act for any project with an estimated total cost of less than $100,000 shall be exempt from chapter 103D and section 464-4; provided that:

(1) The superintendent of education shall develop internal policies and procedures for the procurement of goods, services, and construction, consistent with the goals of public accountability and public procurement practices, but not subject to chapter 103D. However, where possible, the superintendent of education is encouraged to use the provisions of chapter 103D; provided that the use of one or more provisions of chapter 103D shall not constitute a waiver of the exemption of chapter 103D and shall not subject the superintendent of education to any other provision of chapter 103D;

(2) Insofar as is practical, and based on specifications developed, adequate and reasonable competition of no fewer than three quotations shall be solicited for each project based on rules adopted by the superintendent of education;

(3) Considering all factors, including quality, warranty, and delivery, the award shall be made to the vendor with the most advantageous quotation;

(4) The procurement requirements shall not be artificially divided or parcelled so as to avoid competitive bidding or competitive proposals; and

(5) Formal design for projects shall be done when there is a clear need to preserve structural integrity, health and safety, or to clearly communicate construction requirements.

(e) The superintendent of education shall submit an annual report to the legislature, which shall include a financial statement of the account and the status of school repair and preventive maintenance projects undertaken pursuant to this section, no later than twenty days prior to the convening of each regular session. The department of education shall post the following reports electronically on the Internet and update them quarterly:

(1) Expenditures for school repair and preventive maintenance projects undertaken pursuant to this section, shall be posted within thirty days of each project’s completion; and

(2) A list of each school’s repair and maintenance needs to be undertaken.”

SECTION 52. Section 37-41.5, Hawaii Revised Statutes, is amended to read as follows:

"§37-41.5 Department of education; carryover of funds. (a) The department of education may retain up to five percent of any appropriation, except for appropriations to fund financing agreements entered into in accordance with chapter 37D, at the close of a fiscal year and the funds retained shall not lapse until June 30 of the first fiscal year of the next fiscal biennium. The department of education shall submit:

(1) A report to the director of finance ninety days after the close of each fiscal year, which shall be prepared in the form prescribed by the director of finance and shall identify the total amount of funds that will carry over to the next fiscal year; and

(2) A copy of this report to the legislature, as well as a report identifying the carryover of funds on a school-by-school basis, at least twenty days prior to the convening of the next regular session of the legislature.

(b) Appropriations allocated to the schools shall remain within the budget of the school to which they were originally allocated; provided that the retention of an appropriation shall not be used by the department as a basis for reducing a school’s future budget requirements.”

SECTION 53. Section 37-74, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

"(d) No appropriation transfers or changes between programs or agencies shall be made without legislative authorization; provided that:

(1) Authorized transfers or changes, when made, shall be reported to the legislature;

(2) Except with respect to appropriations to fund financing agreements under chapter 37D, the University of Hawaii shall have the flexibility to transfer appropriated funds and positions for the operating cost category among programs, among cost elements in a program, and between quarters, as applicable; except with respect to appropriations to fund financing agreements under chapter 37D, the University of Hawaii shall have the flexibility to transfer appropriated funds and positions for the operating cost category among programs and among cost elements in a program, and between quarters, as applicable; and the Hawaii health systems corporation shall have the flexibility to transfer special fund appropriations among community hospitals facilities.
as applicable; provided that the Hawaii health systems corporation shall maintain the integrity and services of each individual facility and shall not transfer appropriations out of any facility that would result in a reduction of services offered by the facility, with due regard for statutory requirements, changing conditions, the needs of the programs, and the effective utilization of resources; and

(3) The university and the department of education shall account for each transfer implemented under this subsection in quarterly reports to the governor and annual reports at the end of each fiscal year to the legislature and the governor, which shall be prepared in the form and manner prescribed by the governor and shall include information on the sources and uses of the transfer.

SECTION 54. Section 302A-1502.4, Hawaii Revised Statutes, is amended by amending subsection (q) to read as follows:

"(q) The superintendent of education shall submit an annual report of the progress of the Hawaii 3R’s school repair and maintenance fund no later than twenty days prior to the convening of each regular session of the legislature.”

PART IX
EDUCATIONAL ACCOUNTABILITY

SECTION 55. As a result of the passage of Act 238, Session Laws of Hawaii 2000, a report was conducted by The Accord Group, LLC. This report synthesized input from a wide variety of stakeholders throughout the State and was designed to ascertain “what the State of Hawaii – from the top of the system to the bottom – must do to hold 183,000 students, and 260+ schools accountable, and what kinds of ‘public accounting’ must be done by the Board of Education, District and State Offices of the Board of Education, the Governor, parents, the business community, the Legislature, and other key stakeholders in the overall system.”

The collaborative fact-finding process found agreement among the stakeholders on three primary goals that the public educational system should foster among students: academic achievement, safety and well being, and civic responsibility. Specific performance and competency indicators in these areas remain somewhat difficult to formulate, as the proxies used to measure success in these broad areas must be valid and broadly accepted by the major stakeholders. Nevertheless, the prompt development of such indicators remains critical to the ongoing implementation of a comprehensive and systematic educational accountability system that is straightforward and easily tracked over time.

Areas in which performance and competency indicators in academic achievement should be developed include such laudable goals as:

(1) Achieving reading proficiency by the end of third grade;
(2) Developing personalized education plans for each student;
(3) Teaching students the ability to think critically; and
(4) Producing graduates who do not need remediation.

Similarly, safety and well being could be measured by proxies such as:

(1) Attendance;
(2) Comprehensive student support system plans in place to support each student with a personalized classroom climate, differentiated classroom practices, family involvement, early intervention, support for transitions between grades, community outreach and support, and specialized assistance and crisis or emergency support; and
(3) Disciplinary offenses as provided by the board of education administrative rules.

The third area identified in the Accord Group report, civic responsibility, is the most abstract and difficult to measure. General concepts that should be addressed include:

(1) Knowledge of the fundamental processes of American democracy;
(2) Skills necessary to actively engage in a democratic society;
(3) Understanding and awareness of community and global issues;
(4) Respect for self and others and ability to work together as part of a team; and
(5) Participation in school and community organizations.

The legislature finds that the indicators for programmatic and fiscal accountability that are used should be made available annually to the governor, legislature, board of education, parents, and general public in a format that is easy to comprehend. The department of education shall report trend data as such data becomes available.

Measures in existence on the effective date of this Act shall be reported to the legislature and the governor no later than twenty days prior to the convening of each regular session. New measures to be developed by the department of education shall be reported no later than twenty days prior to the convening of each regular session thereafter. The department of education shall report trend data as such data becomes available.

The purpose of this part is to:

(1) Assess and track the academic achievement, safety and well being, and civic responsibility of individual students;
(2) Adding fiscal provisions to accountability statutes;
(3) Adding provisions to hold complex area superintendents and principals accountable; and
(4) Requiring the department of education to report back the legislature no later than twenty days prior to the 2005 regular session regarding specific performance and competency indicators that should be used to measure academic achievement, safety and well being, and civic responsibility among students.

SECTION 56. Section 302A-1004, Hawaii Revised Statutes, is amended to read as follows:

§302A-1004 Educational accountability system; annual reports. (a) The
department shall implement a comprehensive system of educational accountability to motivate and support the improved performance of students and the education system. This accountability system shall:

(1) Include student accountability; school or collective accountability; individual professional accountability for teachers, principals, and other employees; and public accounting to parents, community members, businesses, higher education, media, and political leadership;

(2) Link authority and resources to responsibility;

(3) Define clear roles for all parties and lines of responsibility and mutual obligation and develop a collaborative process with stakeholders, including representatives of appropriate bargaining units, parents, administration, and students;

(4) Assess and track measures of academic achievement, safety and well being, and civic responsibility of individual students at selected grade levels and report trend data on these measures over time annually;

(5) Invoke a full and balanced set of appropriate consequences for observed performance, including rewards and recognition for those schools that meet or exceed their goals, assistance to those that fall short, and sanctions for those that, given adequate assistance and ample time, continue to fail to meet goals;

(6) Involve an annual statewide assessment program that provides a report card containing trend data on school, school complex, and system performance at selected benchmark grade levels with performance indicators in areas relating to student achievement, safety and well being, and civic responsibility. These performance indicators shall include but not be limited to:

(A) Student performance relative to statewide content and performance standards; and

(B) School attendance and drop-out rates;

(7) Require that teachers and administrators engage in the continuous professional growth and development that ensure their currency with respect to disciplinary content, leadership skill, knowledge, or pedagogical skill, as appropriate to their position. This requirement may be established by the department in terms of credit hours earned or their equivalent in professional development activity certified by the department as appropriate in focus and rigor;

(8) Establish an explicit link between professional evaluation results and individual accountability through professional development of the knowledge, skill, and professional behavior necessary to the position, by requiring that results of the professional evaluation be used by the department to prescribe professional development focus and content, as appropriate;

(9) Include an annual statewide fiscal accountability program, which includes a published report card that contains trend data on school, school complex, and system-wide plans and results, including:

(A) Amounts allocated;

(B) Amounts expended;

(C) Amounts carried over; and

(D) Any significant changes to the budget, with an explanation for the change;

(10) Include an evaluation of the effectiveness of complex area superintendents and principals in supporting:

(A) Students’ academic achievement, safety and well being, and civic responsibility; and

(B) The satisfaction of stakeholders affected by the work of the complex area superintendents and principals, which may be measured by broadbased surveys; and

(C) Fiscal accountability.

(c) The department shall submit to the legislature and to the governor, at least twenty days prior to the convening of each regular session, an educational status report that includes but is not limited to the following:

(1) Results of school-by-school assessments of educational outcomes;

(2) Summaries of each school’s standards implementation design;

(3) Summary descriptions of the demographic makeup of the schools, with indications of the range of these conditions among schools within Hawaii;

(4) Comparisons of conditions affecting Hawaii's schools with the conditions of schools in other states;

(5) Other such assessments as may be deemed appropriate by the board; and

(6) Any other reports required by this section.

(d) The department shall provide electronic access to computer-based financial management, student information, and other information systems to the legislature and the auditor. The department shall submit to the legislature and to the governor, at least twenty days prior to the convening of each regular session, a school-by-school expenditure report that includes but is not limited to the following:

(1) The financial analysis of expenditures by the department with respect to the following areas:

(A) Instruction, including face-to-face teaching, and classroom materials;

(B) Instructional support, including pupil, teacher, and program support;

(C) Operations, including non-instructional pupil services, facilities, and business services;

(D) Other commitments, including contingencies, capital improvement projects, out-of-district obligations, and legal obligations; and
hold not less than two community meetings annually in each departmental school district in addition to their regular meetings to discuss and receive input from the community on public education and public library issues. The board chairperson shall designate board members to attend the community meetings. These community meetings shall not be held for the purpose of formulating educational policy. The community meetings shall be exempt from sections 92-2.5, 92-7, 92-9, and 92-41, provided that the board shall give written public notice of each community meeting. The meeting notice shall indicate the date, time, and place of the meeting, and shall be filed in the office of the lieutenant governor and in the board’s office for public inspection six calendar days before the meeting. The notice shall also be posted at the site of the meeting.”

PART X
PILOT

SECTION 59. There is appropriated out of the general revenues of the State of Hawaii the sum of $400,000 or so much thereof as may be necessary for fiscal year 2004-2005, for the piloting of school community councils and development of academic and financial plans at least at one school in each complex area. The pilot program shall begin no later than January 1, 2005.

SECTION 60. The sum appropriated shall be expended by the department of education for the purposes of this Act.

PART XI
FINDINGS AND RECOMMENDATIONS

SECTION 61. The department of education shall submit findings and recommendations to the legislature no later than twenty days prior to the convening of the regular session of 2005 including:

(1) A report regarding progress made in and the impact on the public education system of:

(A) Establishing a weighted student formula;

(B) Providing additional information technology;

(C) Empowering principals through the Hawaii principals academy and other means;

(D) Strengthening community involvement through school community councils and parent-community networking centers;

(E) Providing more mathematics textbooks;

(F) Lowering class size in kindergarten, grade one, and grade two;

(G) Providing full-time, year-round, high school student activity coordinators;

(H) Providing support for students who need additional help to succeed in school;

(I) Establishing a national board certification incentive program for teachers;

(J) Enhancing teacher education;

(K) Reducing the bureaucracy that hampers the effectiveness of the department of education;

(L) Improving the educational accountability system; and

(M) Requiring the board of education members to hold community meetings in their districts; and

(2) A list of statutes, rules, policies, or procedures that need to be amended, removed, or enacted to enable the effective implementation of the weighted student formula, implementation of school community councils, and enhance transparency in financial reporting; and

(3) A list of programs recommended to be repealed to enable the department and individual schools to have greater flexibility in budgeting, operations, and curriculum management.

PART XII
MISCELLANEOUS

SECTION 62. For the purposes of this Act, any appropriation made for public schools shall exclude new century charter schools and new century conversion charter schools unless otherwise included.
SECTION 63. In the event of a conflict between this Act and section 89-10(d) or 89-19, Hawaii Revised Statutes, this Act shall control.

SECTION 64. The sums appropriated by this Act for fiscal year 2004-2005 shall be deemed part of the Supplemental Appropriations Act of 2004 for the department of education and University of Hawaii for the purposes of developing and submitting the executive budget request for the biennium budget for fiscal years 2005-2006 and 2006-2007, except for the one-time supplemental appropriation for mathematics textbooks and mathematics learning materials in schools made in section 35 of this Act. The department of budget and finance shall consider the sums appropriated by this Act as if appropriated in the Supplemental Appropriations Act of 2004, except for the one-time supplemental appropriation for mathematics textbooks and mathematics learning materials in schools made in section 34 of this Act.

SECTION 65. The legislative reference bureau shall conduct a study to determine conforming amendments to the Hawaii Revised Statutes that may be necessary as a result of the amended definition of “public school” in section 5, to effectuate the purposes of this Act without altering either the effect or intent of existing statutory language.

The legislative reference bureau shall submit its findings, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2005.

SECTION 66. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored. (( -- Note: In this copy, bracketed material has already been stricken and new material is not underscored -- ))

SECTION 67. This Act shall take effect upon its approval, provided that:
(1) Sections 7, 8, 10, 11, 15, 17, 18, 32, 33, 35, 36, 39, 40, 50, 51, 52, 53, 54, 59, and 60 shall take effect on July 1, 2004;
(2) Sections 5, 13, 16, 21, 22, 23, 24, 25, 26, 30, 31, and 38 shall take effect on July 1, 2005, and shall apply to the 2005-2006 school year; and
(3) Sections 2, 4, 6, 27, 28, 29, and 57 shall take effect on July 1, 2006, and shall apply to the 2006-2007 school year.

HB2002, HD2, SD1, CD 2 also included the following sections which add new sections that directly affect the Reinventing Education Act of 2004:

SECTION 5. Chapter 302A, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§302A- New century charter schools and new century conversion charter schools; weighted student formula. Notwithstanding section 302A-1185 and beginning on September 1, 2006, new century charter schools and new century conversion charter schools shall elect whether to receive allocations according to the weighted student formula adopted pursuant to section 302A- by the board of education; provided that:

(1) All new century charter schools and new century conversion charter schools, as a group, shall elect whether to receive allocations through the weighted student formula;

(2) Any election by new century charter schools and new century conversion charter schools to receive allocations, or not to receive allocations, through the weighted student formula shall be made by September 1 of each even-numbered year, and such election shall apply to the fiscal biennium beginning July 1 of the following year; and

(3) The election to receive allocations, or not to receive allocations, through the weighted student formula shall be communicated to the department through the charter school administrative office."

SECTION 13. The department of education shall submit to the legislature no later than twenty days prior to the convening of the regular session of 2005 a report detailing the programs and functions that would need to be placed under the control of individual schools to achieve certain benchmark figures in enabling principals to expend an increased percentage of the appropriations for total department of education budget, excluding debt service and capital improvement programs. The report shall include:

(1) A list of functions and programs for which moneys would be expended by school principals at each of:

(B) Eighty per cent; and

(C) Ninety per cent

of the appropriations for the total department of education budget, excluding debt service and capital improvement programs;

(2) A description of required department infrastructure and system support, including any buyback programs for services, to achieve the benchmark figures in paragraph (1); and

(3) A description of any other requirements foreseen by the department to be necessary to achieve the benchmark figures in paragraph (1).