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February 1, 2008

For the House Committee on Education
February 1, 2008 hearing, 2:15 p.m., room 309

**Testimony in strong support of HB 2794 PROPOSING
AMENDMENTS TO THE HAWAII CONSTITUTION RELATING TO
THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS with
proposed amendments**

Chair Takumi and members of the committee:

Facility financing is one of the most important challenges facing charter schools in Hawaii. Except for 2006 when charters received a one-time per pupil facilities appropriation of \$660, charters don't receive any state funding for facilities (except for the five conversions). Instead, they are forced to pay for their occupancy costs out of a per pupil allocation that is already significantly lower than that provided to Department of Education-operated schools.

Having said that (and in spite of a clear obligation under Article X, section 1 of the State Constitution to provide equitable funding for charter school facilities), let's focus on what is achievable and what we can do now to support the big-ticket repair, maintenance and capital improvement needs of all charter schools without partiality by developing the fiscal, administrative and statutory infrastructure needed to facilitate innovative public-private partnerships that can attract robust, diverse and sustainable resource streams from a wide variety of state and national players.

The Hawaii Charter School Facilities Fund is modeled after the successful Hawaii 3Rs program (and national best practices in charter school facility finance), although expanded to include capital improvement projects as well as repair and maintenance. The language in the bill tracks that of the existing Hawaii 3Rs statute (HRS 302A-1502.4) and tax credit (HRS 235-110.2).

Proposed amendment language for this measure follows. Furthermore, a new chapter in Hawaii Revised Statutes 39A may be required to implement these proposed constitutional changes. I would like to provide the committee with an amended copy of SB 3254 to achieve this.

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P.O. Box 6511
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Perhaps it can be included in included as a new part in any appropriately titled bill being heard by this committee, like HB 2561.

Sincerely,

Taffi Wise
Executive Director

**HB 2794 PROPOSING AMENDMENTS TO THE HAWAII CONSTITUTION
RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS**

(From Section 1)

~~[to assist nonprofit corporations supporting one or more charter schools, community development financial institutions benefiting one or more public charter schools, and charter schools.]~~

"to assist charter schools and not-for-profit corporations and community development financial institutions that support charter schools."

(From Section 2)

~~[8 Nonprofit corporations supporting one or more charter schools, community development financial institutions supporting one or more charter schools, and charter schools,]~~

"8 Charter schools, not-for-profit corporations that support charter schools, and community development financial institutions that support charter schools,"

(From Section 3)

~~[3. Nonprofit corporations supporting one or more charter schools, community development financial institutions supporting one or more charter schools, and charter schools.]~~

"3. Charter schools, not-for-profit corporations that support charter schools, and community development financial institutions that support charter schools."

(From Section 4 - ballot question)

~~[to assist nonprofit corporations supporting one or more charter schools, community development financial institutions supporting one or more charter schools, and charter schools?]~~

"to assist charter schools, not-for-profit corporations that support charter schools, and community development financial institutions that support charter schools?"

Rationale: Tracks constitutional "not-for-profit" and "support" language.

(From Section 2)

~~[colleges, and universities, separately]~~

"colleges, universities, charter schools, not-for-profit corporations that support charter schools, and community development financial institutions that support charter schools, separately"

Rationale: necessary constitutional amendment language.