

**HB 2267**

**Testimony**

TESTIMONY BY GEORGINA K. KAWAMURA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
HOUSE BILL NO. 2267, H.D. 1, PROPOSED S.D. 1

March 30, 2010

RELATING TO PUBLIC CHARTER SCHOOLS

House Bill No. 2267, H.D. 1, Proposed S.D. 1: 1) requires the Department of Education to make vacant public school facilities available for use by charter schools; 2) requires the Charter School Review Panel to adopt criteria for the reauthorization of charter schools and to reauthorize each charter school every four years; 3) requires the charter schools to report operational and instructional expenditures to the Charter School Review Panel; 4) amends the funding formula for charter schools; and 5) repeals the cap on the number of charter schools.

House Bill No. 2267, H.D. 1, Proposed S.D. 1, also establishes an “over-appropriation special fund” that is intended to prevent the over-allocation of general funds to the charter schools. The proposed special fund would be capitalized by any excess amount appropriated to the charter schools after the Department of Budget and Finance updates the comparable per pupil funding level (between the charter schools and the Department of Education) based on the October 15 enrollment count. The excess funds would be allocated to the charter schools if their appropriation was insufficient to ensure comparable funding with the Department of Education. Any special fund balance in excess of \$5,000,000 would lapse to the credit of the general fund.

As a matter of general policy, this department does not support any special fund which does not meet the requirements of Section 37-52.3 of the Hawaii Revised Statutes. Special or revolving funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. It is difficult to determine whether the bill meets any of these criteria.

Further, we do not support the “setting aside” of general funds in special fund accounts. This reduces the availability of general funds for other critical needs. Any excess funds should lapse to the general fund.

**WRITTEN TESTIMONY ONLY**

**Date:** 03/30/2010

**Committee:** Senate Ways and Means

**Department:** Education

**Person Testifying:** Kathryn Matayoshi, Interim Superintendent of Education

**Title of Bill:** HB 2267, HD1, SD1 Proposed RELATING TO PUBLIC CHARTER SCHOOLS.

**Purpose of Bill:** Requires the department of education to make available vacant school facilities or portions of school facilities for use by charter schools. Requires the charter school review panel to compile a prioritized list of charter schools that wish to use vacant school facilities or portions of school facilities. Makes changes to charter school funding. Requires the charter school review panel (CSRP) to determine a clear process with rigorous criteria for the reauthorization of charter schools. Requires the CSRP to reauthorize charter schools no later than four years following the initial issue of the charter, and every four years thereafter. Requires the charter school administrative office (CSAO) to withhold funds for its operational expenses, subject to certain requirements. Requires the CSAO to report annually to the CSRP individual and aggregate operational and instructional expenditures of charter schools. Requires per-pupil allocation checks paid by the CSAO to individual charter schools to be co-signed by the executive director of the CSAO and an agent of the CSRP. Repeals the cap on the number of charter schools. Effective 7/1/2050. (SD1)

**Department's Position:** The Department of Education requests two amendments to proposed SD 1.

The first amendment is to section 2 of proposed SD 1, to clarify that the Department of Education may elect to retain the facilities of a DOE school that is scheduled to be closed, for use for other educational purposes, even if one or more charter schools have applied to the charter school

review panel to use the to-be-closed school. The DOE currently rents commercial space for office use, and would like the opportunity to relocate and consolidate its scattered offices to schools that will be closed, both to reduce or eliminate the need to rent commercial space and to increase its efficiency. The requested amendment is to insert the following language after the word "facilities" on line 10 of page 5 -- "or if the department determines that it will continue to use all or portions of the facilities for educational purposes."

The second amendment is to section 7 of proposed SD 1, to clarify that charter school students who participate in the DOE's adult education or after-school plus programs are required to pay the same fees as non-charter school students. Proposed SD 1 appears to require, in Section 7(a)(2)(A) on page 19, the DOE to provide and fund adult education and the after-school plus program services to public charter schools. The general fund support for these two programs has been significantly reduced, and it is possible that participants will be required to pay new fees or higher fees to access program services. The requested amendment is to insert the following paragraph after line 4 of page 20 -- "Charter school students participating in either department-funded adult education programs or department-funded after school plus programs shall pay the same fees as non-charter school participants."

Thank you for your consideration of our testimony.

**From:** [Nina K Buchanan](#)  
**To:** [WAM Testimony](#)  
**Subject:** HB 2267 Testimony  
**Date:** Monday, March 29, 2010 1:29:16 PM

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COMMITTEE ON WAYS AND MEANS: Senator Donna Mercado Kim, Chair Senator Shan S. Tsutsui, Vice Chair

HEARING DATE: Tuesday March 30, 2010 9:30am Conference Room 211

Aloha Honorable Members of Committee on Ways and Means,

I am an educational psychologist and one of the founders of the award-winning West Hawaii Explorations Academy Public Charter School. I have served as a member of the Charter School Review Panel since its inception. I am testifying as an individual so the thought expressed below have not been endorsed by the Panel or the Explorations Academy Local School Board.

That said, I applaud your efforts to remove barriers to charter school success while at the same time holding charter schools more accountable for academic results.

1. Facilities are a continuing problem for charter schools. I support making available vacant state sites for charter schools in a fair and equitable manner.
2. The CSRP has spend a great deal of time creating high quality and coherent assurance, application, annual self-evaluation and multi year review processes. The problem is that the Panel consists of 12 volunteers, most of whom are also employed full time. Without additional staff, it would be nearly impossible for the Panel to conduct multi-year reviews at four year intervals for all 31 charter schools (7 - 8 schools per year). Additionally, the Legislature has encouraged start-up charter schools to become accredited. Full accreditation is usually for 6 years, not 4. It would be helpful if the first "reauthorization" of a charter school would be 6 years. This would cut that yearly workload for the Panel and provide charter schools with enough time to implement their curricula. Please note that each charter school submits an annual self-evaluation report that is received and reviewed by the Panel.
3. I support repealing the cap on the number of charter schools. This would not immediately result in new charter schools because the Panel has in place a rigorous application process that will take approximately 18 months from submission of a letter of intent to the granting of a charter.

Thank you for your time and attention to to improving education in Hawaii.

Nina K. Buchanan  
University of Hawaii Hilo