



SB 2374
RELATING TO CHARTER SCHOOLS
Senate Committee on Education and Housing

February 10, 2010
Room: 225

1:20 p.m.

The Office of Hawaiian Affairs (OHA) **OPPOSES** SB 2374, which: 1) requires charter schools to maintain accounting and financial records and conduct a financial audit annually; 2) requires that failure to maintain records and conduct the audit result in suspension of the school's charter; 3) establishes a process for appealing the suspension and for revoking a charter; and 4) authorizes the Department of Education to suspend the release of general funds to a charter school and requires that the charter school be ineligible for further general funds until the panel votes to remove the charter from probation.

This act, which seeks to amend Chapter 302B of the Hawai'i Revised Statutes, is punitive. There are no sections in Hawai'i Revised Statutes Chapter 302-A, relating to education, which requires other non-charter schools or even the Department of Education to maintain accounting and financial records and to conduct financial audits annually.

Moreover, the Charter School Review Panel already has the power in Chapter 302B-3 (i) (1-8) to review, approve, or deny charter applications; to evaluate charter schools; maintain oversight; and, to review, approve, or deny significant amendments to detailed implementation plans to maximize the school's financial and academic success. In addition, charter schools are required by Chapter 302B-14 (1-6) to conduct annual self-evaluations, which require administrative, academic, and fiscal assessments subject to review and possible revocation of a charter. Our regular schools do not have the same stringent requirements of self assessment.

Lastly, OHA contends that Chapter 302B-2 (g) authorizing the Department of Education to suspend the release of general funds to charter schools on probationary status is unconstitutional. This fiscal power and the process granting it are not defined in statute.

The federal government seeks to encourage charter schools, especially through the American Recovery and Reinvestment Act -

Race to the Top legislation. This bill, however, only punishes a system of innovation and promise.

Therefore, OHA urges the committee to HOLD SB2374. Thank you for the opportunity to testify.