



EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

Testimony of
Linda L. Smith
Senior Policy Advisor to the Governor

Before the
HOUSE COMMITTEE ON FINANCE

Thursday, March 25, 2010, 3:30 PM
State Capitol, Room 308

AGENDA #5: SB 2589 SD2 HD1 RELATING TO CHARTER SCHOOLS

Chair Oshiro, Vice Chair Lee, and members of the Committee:

SB 2859 SD2 HD1 establishes a process for public charter schools to utilize vacant school facilities. The Administration supports this provision, but strongly recommends amending the bill to add three key provisions that are necessary to improve Hawaii's public charter school laws. More importantly, these amendments are necessary to keep Hawaii competitive for the Race to the Top federal funding.

The Administration proposes including three new sections to the bill to: (1) repeal the cap on public charter schools; (2) create a reauthorization process to increase accountability and student performance; and (3) ensure that public charter schools receive equitable funding as other public schools in the State. These provisions were proposed in the Administration-sponsored bill, HB 2551, and are encouraged for adoption by the federal government (see attached federal guidance).

Specifically, we offer the following amendments for the Committee's consideration:

1. Repeal the cap on the number of public charter schools that are allowed to operate in the state:

"SECTION . Section 302B-4, Hawaii Revised Statutes, is repealed.

~~["§302B-4 Limits on charter schools. The panel may authorize one new start-up charter school for each existing start-up charter school that has received a three-year or longer accreditation from the Western Association of Schools and Colleges or a comparable accreditation authority as determined by the panel, or for each start-up charter school whose charter is revoked. The total number of conversion charter schools authorized by the panel shall not exceed twenty-five."]~~

2. Create a reauthorization process for charter schools in order to increase accountability:

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

"§302B- Charter contracts. (a) The panel shall grant a charter for an initial term of four operating years. The charter term shall commence on the public charter school's first day of operation. An approved public charter school may delay its opening for one school year in order to plan and prepare for the school's opening. If the school requires an opening delay of more than one year, the school must request an extension from its authorizer.

(b) Upon approval of a charter application, the panel and the local school board or nonprofit organization, operating a

public conversion charter school pursuant to section 302B-6, shall execute a charter contract that sets forth the academic and operational performance expectations and measures by which the public charter school will be judged and the administrative relationship between the panel, charter school administrative office and the public charter school, including each party's rights and duties.

(c) No public charter school may commence or continue operations without a charter contract executed in accordance with this section and approved in an open meeting of the panel.

(d) Upon the completion of the initial four-year term of the charter contract, a charter may be renewed for successive six-year terms, although the panel may vary the term based on the performance, demonstrated capacities, and other circumstances of each public charter school.

(e) In making charter renewal decisions, the panel shall:

- (1) Ground its decisions in evidence of the school's performance over the term of the charter contract;
- (2) Ensure that data used in making renewal decisions are available to the school and public; and
- (3) Provide a public report summarizing the evidence basis for its decision;

provided that, if the panel revokes or does not renew a charter, the panel shall clearly state the reasons for revocation or nonrenewal. Public charter schools whose charters are revoked or not renewed may appeal to the board for a final decision pursuant to section 302B-3.5."

3. Ensure equitable funding for public students who attend public charter schools.

"SECTION 6. Section 302B-12, Hawaii Revised Statutes, is amended to read as follows:

"§302B-12 Funding and finance. (a) Beginning with fiscal year 2009-2010, and each fiscal year thereafter, the non-facility per-pupil funding [~~request~~] for charter school students shall not be less than the per-pupil amount to non-charter public schools in the department in the most recently [~~approved executive~~ enacted budget [~~recommendation~~] for the department, as set forth in paragraph (2); provided that:

(1) The per-pupil funding [~~request~~] shall include funding for projected enrollment figures for each charter school[+] and for proposed conversion and new start up charters over the biennium budget period; and

(2) The per-pupil [~~request~~] funding for each regular education and special education student shall:

(A) Include all regular education cost categories, including comprehensive school support services but excluding special education services; provided that [~~special education services are provided and funded by~~] the department[+] shall provide and fund special education services to students enrolled in charter schools on the same basis as such services are provided to special education students enrolled in non-charter public schools; provided further that if the department fails to provide special education services to special education services at charter schools, the department shall transfer directly to a charter school any federal or state aid attributable to a special education student attending a charter school;

(B) Include all means of financing [~~except federal funds~~], as [~~reported~~] appropriated in the most [~~recently approved executive~~ recently enacted department of education budget [~~recommendations for the department; provided that in preparing the budget the executive director shall include an analysis of the proposed budget in relationship to the most recently published department consolidated annual financial report~~]; and

(C) Exclude fringe benefit costs and debt service.

(D) Include any federal or state aid attributable to a student for the provision of and payment for special education services in proportion to the level of services for such student that the public charter school directly provides; provided that a charter school and may contract with the department for alternate

arrangements for the provision and payment for special education services, the payment for which shall be excluded

(b) Fringe benefit costs for charter school employees, regardless of the payroll system utilized by a charter school, shall be included in the department of budget and finance's annual budget request~~[-]~~, consistent with the treatment of fringe benefits costs of non-charter public schools. No fringe benefit costs shall be charged directly to or deducted from the charter school per-pupil allocations.

The legislature shall make an appropriation based upon the budget request; provided that the legislature may make additional appropriations for fringe, workers' compensation, and other employee benefits and facility costs. The legislature may make additional appropriations for other requested amounts that benefit charter schools.

The governor, pursuant to chapter 37, may impose restrictions or reductions on charter school appropriations similar to those imposed on other public ~~[schools,]~~ education appropriations.

(c) Charter schools shall be eligible for all federal financial support to the same extent as all other public schools. The department shall provide the office with all state-level federal grant proposals submitted by the department that include charter schools as potential recipients and timely reports on state-level federal grants received for which charter schools may apply or are entitled to receive. Federal funds received by the department for charter schools shall be ~~[transferred to the office for distribution]~~ distributed to charter schools in accordance with the federal requirements. If administrative services related to federal grants and subsidies are provided to the charter school by the department, the charter school shall reimburse the department for the actual costs of the administrative services in an amount that shall not exceed six and one-half per cent of the charter school's federal grants and subsidies.

Any charter school shall be eligible to receive any supplemental federal grant or award for which any other public school may submit a proposal, or any supplemental federal grants limited to charter schools; provided that if department administrative services, including funds management, budgetary, fiscal accounting, or other related services, are provided with respect to these supplemental grants, the charter school shall

reimburse the department for the actual costs of the administrative services in an amount that shall not exceed six and one-half per cent of the supplemental grant for which the services are used.

All additional funds generated by the local school boards, that are not from a supplemental grant, shall be held separate from allotted funds and may be expended at the discretion of the local school boards.

(d) To enable charter schools to access state funding prior to the start of each school year, foster their fiscal planning, and enhance their accountability, ~~[the office]~~ charter schools shall~~[+]~~ receive:

(1) ~~[Provide fifty]~~ Fifty per cent of a charter school's per-pupil allocation based on the charter school's projected student enrollment no later than July 20 of each fiscal year; provided that the charter school shall have submitted ~~[to the office]~~ a projected student enrollment no later than May 15 of each year;

(2) ~~[Provide an]~~ An additional forty per cent of a charter school's per-pupil allocation no later than November 15 of each year; provided that the charter school shall have submitted ~~[to the office]~~:

(A) Student ~~[enrollment]~~ enrollments as verified on October 15 of each year; provided that the student enrollment shall be verified on the last business day immediately prior to October 15 should that date fall on a weekend; and

(B) An accounting of the percentage of student enrollment that transferred from non-charter public schools established and maintained by the department; ~~[provided that these accountings shall also be submitted by the office to the legislature no later than twenty days prior to the start of each regular session; and]~~

(3) Ensure the appropriate transfer between EDN 100 (school-based budgeting) and EDN 600 (charter schools) of those per-pupil amounts that reflect students transferring between public charter schools and public non-charter schools; and

~~[-(3) Retain no more than]~~ (4) Release the remaining ten per cent of a charter school's per-pupil allocation no later than

[~~June~~] March 30 of each year [~~as a contingency balance to ensure fiscal accountability and compliance~~];

provided that the panel may make adjustments in allocations based on noncompliance with board policies made in the board's capacity as the state education agency, department directives made in the department's capacity as the state education agency, and the office's administrative procedures [~~and board-approved accountability requirements~~].

(e) The department shall provide appropriate transitional resources to a conversion charter school for its first year of operation as a charter school based upon the department's allocation to the school for the year prior to the conversion.

(f) No start-up charter school or conversion charter school may assess tuition."

Thank you for the opportunity to testify on this measure and for your consideration of our proposed amendments.

Excerpt from the Race to the Top Application for Initial Funding

CFDA Number: 84.395A

(Pages 48-49)

“(F)(2) Ensuring successful conditions for high-performing charter schools and other innovative schools (40 points)

The extent to which—

(i) The State has a charter school law that does not prohibit or effectively inhibit increasing the number of high-performing charter schools (as defined in this notice) in the State, measured (as set forth in Appendix B) by the percentage of total schools in the State that are allowed to be charter schools or otherwise restrict student enrollment in charter schools;

(ii) The State has laws, statutes, regulations, or guidelines regarding how charter school authorizers approve, monitor, hold accountable, reauthorize, and close charter schools; in particular, whether authorizers require that student achievement (as defined in this notice) be one significant factor, among others, in authorization or renewal; encourage charter schools that serve student populations that are similar to local district student populations, especially relative to high-need students (as defined in this notice); and have closed or not renewed ineffective charter schools;

(iii) The State’s charter schools receive (as set forth in Appendix B) equitable funding compared to traditional public schools, and a commensurate share of local, State, and Federal revenues;

(iv) The State provides charter schools with funding for facilities (for leasing facilities, purchasing facilities, or making tenant improvements), assistance with facilities acquisition, access to public facilities, the ability to share in bonds and mill levies, or other supports; and the extent to which the State does not impose any facility-related requirements on charter schools that are stricter than those applied to traditional public schools; and

(v) The State enables LEAs to operate innovative, autonomous public schools (as defined in this notice) other than charter schools.”

Date: 03/25/2010

Committee: House Finance

Department: Education

Person Testifying: Kathryn Matayoshi, Interim Superintendent of Education

Title of Bill: SB 2589, SD2, HD1 (HSCR887-10) RELATING TO 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.

Department's Position: The Department of Education requests one amendment to the bill, to clarify that the DOE 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.

We ask that SB 2589 SD2 HD1 be amended by inserting the following language after the word "facilities" on line 7 of page 3 -- "or if the department determines that it will continue to use all or portions of the facilities for educational purposes,".

Thank you for your consideration of our testimony.

1 (e) After receipt by the charter school review panel of a
2 notice pursuant to subsection (b), if the charter school review
3 panel does not provide a prioritized list of charter schools
4 because no charter school has requested to use the facilities of
5 the public school, or if the department receives the prioritized
6 list but determines that no charter school on the list is an
7 appropriate candidate to occupy and use the facilities, the
8 department shall give reasonable consideration to making all or
9 portions of the facilities of the public school, if closed,
10 available for occupancy and use for other educational purposes.

11 (f) The department shall adopt rules necessary to carry
12 out the purposes of this section.

13 (g) For purposes of this section, "public school" means
14 any school that falls within the definition of public schools in
15 section 302A-101, except for charter schools."

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

19 "§302B- Occupancy and use of facilities of public
20 schools. (a) When the department considers whether to close
21 any particular public school, the department shall submit a
22 notice of possible availability of a public school or notice of



Linda Lingle
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FOR: SB 2589 HD1 Relating to Charter Schools
DATE: Thursday, March 25, 2010
TIME: 3:30 p.m.
COMMITTEE(S): Committee on Finance
ROOM: Conference Room 308
FROM: Maunalei Love, Executive Director

Testimony in support of the intent of S.B. No. 2589 H.D. No. 1 with proposed draft for HD2

Chair Oshiro, Vice Chair Lee, and Members of the Committee:

Aloha, I am Maunalei Love, executive director of the Charter School Administrative Office ("CSAO"). I want to thank the chair and the entire committee for the time and effort being spent to remedy the issue of adequately providing needed resources to all public schools and making Hawaii more competitive for the Race to the Top grant.

We have attached a proposed HD2 for the committee's consideration. It reflects that we support requiring the Charter School Review Panel (CSRP) to determine a clear process with rigorous criteria for charter schools to be reauthorized on a regular basis. We support allowing the Charter School Administrative Office (CSAO) to directly withhold funds from the EDN 600 allocation for its operational expenses, including salaries for staff and the executive director. The CSAO also supports providing transparent accountability for charter schools and repealing the cap on the number of charter schools.

In addition, please note that the CSAO supports ensuring that charter school students receive equitable funding along with facilities funding and access. We support having multiple public charter school authorizers as reflected in the National Alliance's Model law.

We support changes made towards providing equitable funding and a supportive environment for all DOE and public charter schools to better position Hawaii in competition for U.S. Department of Education's Race to the Top (RTT) initiative. States with policies in place supporting equitable funding and facilities for all public school students are at greater competitive advantage to qualify for RTT and other federal grant programs.

The CSAO is ready, willing, and able to help with any revisions to clarify the details in these drafts. Thank you for this opportunity to testify.

THE SENATE
TWENTY-FIFTH LEGISLATURE,
2010
STATE OF HAWAII

S.B. NO. 2589
S.D. 2
H.D. 2

A BILL FOR AN ACT

RELATING TO CHARTER SCHOOLS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The legislature finds that the charter school movement has progressed over the past few decades into a system with its own administrative office and review panel to operate, maintain, and develop charter schools. The legislature finds that the cap on the number of start-up and conversion charter schools, originally intended to control the rapid growth of charter schools beyond the State's ability to manage them, is no longer necessary and may inhibit the further development and growth of the charter school system.

With the growth and maturation of the charter school system, however, the legislature also finds the need for greater accountability and improved processes within the system to ensure that prudent financial decisions are made

and that a standard of quality is maintained across all charter schools.

Further, the legislature finds that some public charter schools face daunting obstacles such as the high cost of rent and less-than-desirable locations of their facilities, while the department of education is considering the closure of certain non-charter public schools due to departmental financial constraints.

The purpose of this Act is to:

- (1) Require the charter school review panel to adopt a clear process with rigorous criteria for the evaluation and reauthorization of charter schools;
- (2) Require the charter school review panel to evaluate and determine reauthorization of each charter school no later than four years following the initial issue of a charter and every ~~four~~ six years thereafter;
- (3) Require the charter school administrative office to withhold not more than two per cent of the annual general fund allocation for its operational expenses, including salaries for staff and the executive director;

- (4) Require the charter school administrative office to report annually to the charter school review panel individual and aggregate financial and budget reports of the charter schools;
 - (5) Repeal the cap on the number of start-up and conversion charter schools;
 - (6) Require the department of education to make available vacant school facilities or portions of school facilities for use by charter schools; provided that the facility is not used by the department to support education programs; and
- SECTION 2. Chapter 302A, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§302A- Use of vacant public school facilities by charter schools. (a) When the department is considering closing any particular public school or reducing its use of any facilities, it shall simultaneously give reasonable consideration to making all or portions of the facilities of the public school available for the exclusive occupancy and use by a charter school or joint occupancy and use of the charter school and the department; provided that the department may elect to use the facilities for the support of public education programs.

(b) The department shall submit a notice of possible availability of a public school to the charter school administrative office as early as possible; provided that if a vacancy is established, a notice of vacancy shall be submitted to the charter school administrative office no later than _____ days after the establishment of the vacancy.

(c) Pursuant to section 302B- _____ and upon receipt of a notice pursuant to subsection (b), the charter school administrative office shall solicit applications from local school boards and charter school applicants interested in using and occupying all or portions of the facilities of the public school and submit a prioritized list of charter schools to the department for final determination of which charter school, if any, shall be authorized to use and occupy the public school facilities.

(d) Upon the selection of a charter school to use a vacant school facility or portion of a school facility, the department and the local school board shall enter into necessary agreements within _____ days of the selection to carry out the purposes of this section.

(e) After receipt by the charter school administrative office of a notice pursuant to subsection (b), if the charter school administrative office does not

provide a prioritized list of charter schools because no charter school has requested to use the facilities of the public school, or if the department receives the prioritized list but determines that no charter school on the list is an appropriate candidate to occupy and use the facilities, the department shall give reasonable consideration to making all or portions of the facilities of the public school, if closed, available for occupancy and use for other educational purposes.

(f) The department shall adopt rules necessary to carry out the purposes of this section.

(g) For purposes of this section, "public school" means any school that falls within the definition of public schools in section 302A-101, except for charter schools."

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

"§302B- Occupancy and use of facilities of public schools. (a) When the department is considering closing any particular public school or reducing its use of any facilities, the department shall submit a notice of possible availability of a public school or notice of vacancy of a public school to the office pursuant to

section 302A- (b); provided that the public school is not to be used by the department to support education programs.

(b) Upon receipt of a notice pursuant to section 302A- (b), the office shall solicit applications from local school boards and charter school applicants interested in using and occupying all or portions of the facilities of the public school by:

- (1) Promptly notifying all local school boards and charter school applicants that the public school is being considered for closure or a reduction in the use of its facilities;
- (2) Providing a reasonable timeline to provide each local school board and charter school applicant an opportunity to submit an application with a written explanation and justification of why the charter school should be considered for possible occupancy and use of the facilities of the public school;
- (3) Fully considering the applications; and
- (4) Providing a written response to each local school board's and charter school applicant's application after the application has been fully considered.

(c) Based on the application and on other considerations, the office shall compile a prioritized list of charter schools and submit the list to the department for final determination of which charter school, if any, shall be authorized to use and occupy the public school facilities.

(d) Upon the selection of a charter school to use a vacant school facility or portion of a school facility, the department and the local school board shall enter into necessary agreements within _____ days of the selection to carry out the purposes of this section; provided that any agreement between the local school board and the department shall stipulate that a charter school that uses and occupies a public school facility or portion of a public school facility may be responsible for the pro rata share of the repair and maintenance costs for that facility or portion of the facility, as the case may be.

(e) The office shall adopt policies and procedures necessary to carry out the purposes of this section, including but not limited to:

- (1) Procedures for local school boards and charter school applicants to apply in writing to use vacant school facilities;

- (2) Criteria for the office to use in determining which charter schools to include on the prioritized list to be submitted to the department; and
- (3) Procedures for the office to notify applicants whether their request for use of the facilities have been granted or denied.

(f) For purposes of this section, "public school" means any school that falls within the definition of public schools in section 302A-101, except for charter schools."

SECTION 4. Section 302A-1151, Hawaii Revised Statutes, is amended to read as follows:

"~~[+]~~**§302A-1151**~~[+]~~ **Sale of school lands unnecessary for school purposes.** The chairperson of the board of land and natural resources is hereby requested, upon the recommendation and approval of the superintendent, to sell any state lands, including the buildings thereon, once used but no longer necessary for school purposes~~[-]~~; provided that no school facility or portion of a school facility shall be sold before that facility or portion of the facility is made available for use by the department or charter schools, pursuant to sections 302A- and 302B- ."

SECTION 5. Section 302B-3, Hawaii Revised Statutes, is amended by amending subsection (i) to read as follows:

- "(i) The powers and duties of the panel shall be to:
- (1) Appoint and evaluate the executive director and approve staff and salary levels for the charter school administrative office;
 - (2) Review, approve, or deny charter applications for new charter schools in accordance with section 302B-5 for the issuance of new charters; provided that applicants that are denied a charter may appeal to the board for a final decision pursuant to section 302B-3.5;
 - (3) Review, approve, or deny significant amendments to detailed implementation plans to maximize the school's financial and academic success, long-term organizational viability, and accountability. Charter schools that are denied a significant amendment to their detailed implementation plan may appeal to the board for a final decision pursuant to section 302B-3.5;
 - (4) Adopt reporting requirements for charter schools;
 - (5) Review annual self-evaluation reports from charter schools and take appropriate action;
 - (6) Adopt a clear process and rigorous criteria for the evaluation and reauthorization of charter schools;

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- (7) Evaluate, for the purpose of determining reauthorization of each charter school, no later than four years following the initial issue of a charter and every six years thereafter;
- [+6+] (8) Evaluate any aspect of a charter school that the panel may have concerns with and take appropriate action, which may include probation or revocation;
- [+7+] (9) Periodically adopt improvements in the panel's monitoring and oversight of charter schools;
- [+8+] (10) Periodically adopt improvements in the office's support of charter schools and management of the charter school system;
- [+9+] (11) Review, modify, and approve charter schools' all means of finance budget, based upon criteria and an approval process established by the panel; and
- [+10+] (12) Survey all charter school facilities prior to, and in preparation for, determining recommendations to allocate non-per-pupil facilities funds to charter schools with facilities needs. The survey shall include, at minimum, for each charter school facility:
- (

- (A) The current status of the facility;
- (B) Facilities costs, including all rents, leases, purchases, and repair and maintenance for lands and buildings;
- (C) A prioritized list of facilities needs;
- (D) Any capital improvement projects underway or scheduled; and
- (E) Whether the facility is a conversion or start-up charter school, and current and projected enrollment."

SECTION 6. Section 302B-8, Hawaii Revised Statutes, is amended to read as follows:

"§302B-8 Charter school administrative office. (a)

There is established a charter school administrative office, which shall be attached to the department for administrative purposes only. The office shall be administered by an executive director, who shall be appointed without regard to chapters 76 and 89 by the panel based upon the recommendations of an organization of charter schools operating within the State or from a list of nominees submitted by the charter schools. The panel shall hire the executive director, who may be contracted for a term of up to four years; shall offer the executive director a written contract; and may terminate the

executive director's contract only for cause. The executive director, with the approval of the panel, may hire necessary staff without regard to chapters 76 and 89 to assist in the administration of the office.

(b) The executive director, under the direction of the panel and in consultation with the charter schools, shall be responsible for the internal organization, operation, and management of the charter school system, including:

- (1) Preparing and executing the budget and the capital improvement projects request for the charter schools; ~~including submission of the all means of finance budget request that reflects all anticipated expenditures to the panel, the board, the governor, and the legislature; provided that, in preparing the budget request with regard to facilities funding, the executive director shall ensure that, as a budget item separate from other operating costs, the request provides:~~

~~(A) Funding for projected enrollment for the next school year for each charter school;~~

~~(B) A calculation showing the per-pupil funding based on the department of budget and~~

~~finance's debt service appropriation for the
department of education divided by the
department of education's actual enrollment,
that school year; and~~

- ~~(C) That no less than seventy per cent of the
amount appropriated shall be allocated by
the office to start up charter schools on a
per pupil basis; provided that the funds
remaining shall be allocated to charter
schools with facilities needs as recommended
by the office and approved by the panel;]~~
- (2) Allocating annual appropriations to the charter schools and distribution of federal funds to charter schools;
 - (3) Complying with applicable state laws related to the administration of the charter schools;
 - (4) Preparing contracts between the charter schools and the department for centralized services to be provided by the department;
 - (5) Preparing contracts between the charter schools and other state agencies for financial or personnel services to be provided by the agencies to the charter schools;

- (6) Providing independent analysis and recommendations on charter school issues;
- (7) Representing charter schools and the charter school system in communications with the board, the governor, and the legislature;
- (8) Providing advocacy, assistance, and support for the development, growth, progress, and success of charter schools and the charter school system;
- (9) Providing guidance and assistance to charter applicants and charter schools to enhance the completeness and accuracy of information for panel review;
- (10) Assisting charter applicants and charter schools in coordinating their interactions with the panel as needed;
- (11) Assisting the panel to coordinate with charter schools in panel investigations and evaluations of charter schools;
- (12) Serving as the conduit to disseminate communications from the panel, the board, and the department to all charter schools;
- (13) Determining charter school system needs and communicating those needs to the panel, the board, and the department;

- (14) Establishing a dispute resolution and mediation process; and
- (15) Upon request by one or more charter schools, assisting in the negotiation of a collective bargaining agreement with the exclusive representative of its employees.
- (16) Pursuant to section 302B- , compile and submit prioritized lists of charter schools to the department and create policies and procedures to enable local school boards to request and to enter agreements with the department to use and occupy vacant public school facilities or portions of school facilities;

(c) The executive director shall be evaluated annually by the panel. The annual evaluation shall be conducted sufficiently in advance of the end of a term to provide the executive director the opportunity to respond to concerns and improve performance.

(d) The office shall withhold funds for its operational expenses, including the salaries of the executive director and staff, from the annual charter school appropriation. The total amount of operational expenses withheld:

- (1) Shall not exceed two per cent of the annual charter school allocation, which shall not include any funds carried over from previous years;
- (2) Shall not include the amount of funds withheld under subsections (g) and (h); and
- (3) Shall be determined annually by the panel.

The [~~salary~~] salaries of the executive director and staff shall be set by the panel based upon the recommendations of charter schools within the State[~~; provided that the salaries and operational expenses of the office shall be paid from the annual charter school appropriation and shall not exceed two per cent of the total general fund allocation at an amount to be determined annually by the panel.~~] and in accordance with the requirements of this subsection.

(e) The office shall report annually to the review panel individual and aggregate financial and budget reports of charter schools, prepared in accordance with generally accepted accounting principles appropriate for public charter schools. The office shall adopt policies and practices to develop a standardized method for charter schools to report their financial activities and budgets and to determine the appropriate reporting of charter

schools' financial activities by function. If any charter school fails to meet the reporting requirements under this subsection, the panel may direct the office to retain a portion of that charter school's per-pupil allocation pursuant to section 302B-12(e)(3) until such time as the school complies with this subsection and the panel directs the office to release the retained funds.

~~[(e)]~~ (f) The office shall include in its annual budget request additional funds to cover the estimated costs of:

- (1) Vacation and sick leave accrued by employees transferring to a charter school from another state agency or department;
- (2) Substitute teachers needed when a teacher is out on vacation or sick leave;
- (3) Adjustments to enrollments; and
- (4) Arbitration in the grievance process.

~~[(f)]~~ (g) The office shall withhold funds for charter school enrollments that are inconsistent with approved detailed implementation plans.

~~[(g)]~~ (h) The office shall withhold funds to repay overpayments or over-allocations received by charter schools when not repaid in a timely manner in accordance with rules adopted by the board.

~~[(h)]~~ (i) The office may carry over funds from previous year allocations. Funds distributed to charter schools shall be considered expended."

SECTION 7. Section 302B-12, Hawaii Revised Statutes, is amended to read as follows:

"302B-12 Funding and finance. (a) Beginning with fiscal year 2009-2010, and each fiscal year thereafter, the non-facility per-pupil funding request for charter school students shall not be less than the per-pupil amount to the department in the most recently approved executive budget recommendation for the department, as set forth in paragraph (2); provided that:

(1) The per-pupil funding request shall include funding for projected enrollment figures for each charter school; and

(2) The per-pupil request for each regular education and special education student shall:

(A) Include all regular education cost categories, including comprehensive school support services, but excluding special education services; provided that special education services are provided and funded by the department;

- (B) Include all means of financing except federal funds, as reported in the most recently-approved executive budget recommendations for the department; provided that in preparing the budget the executive director shall include an analysis of the proposed budget in relationship to the most recently published department consolidated annual financial report; and
- (C) Exclude fringe benefit costs and debt service.

(b) Beginning with fiscal year 2009-2010, and each fiscal year thereafter, the facility per-pupil funding request for charter school students shall, as a budget item separate from other operating costs, provide:

(A) Funding for projected enrollment for the next school year for each charter school;

(B) A calculation showing the per-pupil funding based on the department of budget and finance's debt service appropriation for the department of education divided by the department of education's actual enrollment that school year; and

(C) That no less than seventy per cent of the amount appropriated shall be allocated by the office to start-up charter schools on a per-pupil basis; provided that the funds remaining shall be allocated to charter schools with facilities needs as recommended by the office and approved by the panel;

~~(b)~~ (c) Fringe benefit costs for charter school employees, regardless of the payroll system utilized by a charter school, shall be included in the department of budget and finance's annual budget request. No fringe benefit costs shall be charged directly to or deducted from the charter school per-pupil allocations.

The legislature shall make an appropriation based upon the budget request; provided that the legislature may make additional appropriations for fringe, workers' compensation, and other employee benefits and facility costs. The legislature may make additional appropriations for other requested amounts that benefit charter schools.

The governor, pursuant to chapter 37, may impose restrictions or reductions on charter school appropriations similar to those imposed on other public schools.

~~(e)~~ (d) Charter schools shall be eligible for all federal financial support to the same extent as all other

public schools. The department shall provide the office with all state-level federal grant proposals submitted by the department that include charter schools as potential recipients and timely reports on state-level federal grants received for which charter schools may apply or are entitled to receive. Federal funds received by the department for charter schools shall be transferred to the office for distribution to charter schools in accordance with the federal requirements. If administrative services related to federal grants and subsidies are provided to the charter school by the department, the charter school shall reimburse the department for the actual costs of the administrative services in an amount that shall not exceed six and one-half per cent of the charter school's federal grants and subsidies.

Any charter school shall be eligible to receive any supplemental federal grant or award for which any other public school may submit a proposal, or any supplemental federal grants limited to charter schools; provided that if department administrative services, including funds management, budgetary, fiscal accounting, or other related services, are provided with respect to these supplemental grants, the charter school shall reimburse the department for the actual costs of the administrative services in an

amount that shall not exceed six and one-half per cent of the supplemental grant for which the services are used.

All additional funds generated by the local school boards, that are not from a supplemental grant, shall be held separate from allotted funds and may be expended at the discretion of the local school boards.

~~(d)~~ (e) To enable charter schools to access state funding prior to the start of each school year, foster their fiscal planning, and enhance their accountability, the office shall:

(1) Provide fifty per cent of a charter school's per-pupil allocation based on the charter school's projected student enrollment no later than July 20 of each fiscal year; provided that the charter school shall have submitted to the office a projected student enrollment no later than May 15 of each year;

(2) Provide an additional forty per cent of a charter school's per-pupil allocation no later than November 15 of each year; provided that the charter school shall have submitted to the office:

(A) Student enrollment as verified on October 15 of each year; provided that the student

enrollment shall be verified on the last business day immediately prior to October 15 should that date fall on a weekend; and

(B) An accounting of the percentage of student enrollment that transferred from public schools established and maintained by the department; provided that these accountings shall also be submitted by the office to the legislature no later than twenty days prior to the start of each regular session; and

(3) Retain no more than ten per cent of a charter school's per-pupil allocation no later than June 30 of each year as a contingency balance to ensure fiscal accountability and compliance;

provided that the panel may make adjustments in allocations based on noncompliance with board policies made in the board's capacity as the state education agency, department directives made in the department's capacity as the state education agency, the office's administrative procedures, and board-approved accountability requirements.

~~(e)~~ (f) The department shall provide appropriate transitional resources to a conversion charter school for its first year of operation as a charter school based upon

the department's allocation to the school for the year prior to the conversion.

~~(f)~~ (g) No start-up charter school or conversion charter school may assess tuition."

SECTION 8. Section 302B-4, Hawaii Revised Statutes, is repealed.

~~["§302B-4 Limits on charter schools. The panel may authorize one new start-up charter school for each existing start-up charter school that has received a three-year or longer accreditation from the Western Association of Schools and Colleges or a comparable accreditation authority as determined by the panel, or for each start-up charter school whose charter is revoked. The total number of conversion charter schools authorized by the panel shall not exceed twenty-five."]~~

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

SECTION 10. This Act shall take effect on July 1, 2010.

Report Title:

Charter Schools; Repeal Cap; Funding; Reauthorization;
Vacant School Facilities

Description:

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. 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 evaluate for reauthorization each charter school no later than four years following the initial issue of the charter, and every six 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 financial and budget reports of charter schools, prepared in accordance with generally accepted accounting principles appropriate for public charter schools.. Repeals the cap on the number of charter schools. Effective 7/1/2010.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



SB2589 SD2 HD1
RELATING TO CHARTER SCHOOLS
House Committee on Finance

March 25, 2010

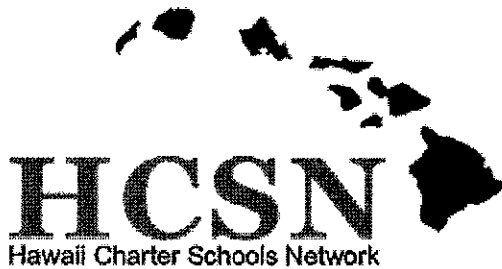
3:30 p.m.

Room: 308

The Office of Hawaiian Affairs (OHA) **SUPPORTS** SB2589 SD2 HD1, which requires the Department of Education to consider making available vacant school facilities or portions of school facilities for use by charter schools. In addition, the measure 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.

One of the most difficult challenges facing non-conversion charter schools is finding school sites that offer basic facilities, such as a cafeteria, a library, a health room and a playground. SB2589 SD2 HD1 helps address this issue by allowing charter schools the opportunity to use campuses vacated by public schools that the DOE closes. These vacated sites are safe and ready to be used by charter schools. Moreover, this bill would allow charter schools the ability to redirect funds that would have otherwise been expended on facilities towards teaching and learning.

Therefore, OHA urges the Committee to PASS SB2589 SD2 HD1. Mahalo for the opportunity to testify.



March 25, 2010

Honorable Chair Marcus R. Oshiro
Honorable Vice-Chair Marilyn B. Lee
Esteemed Members of the House Committee on Finance

RE: SB 2589 SD2 HD1: Relating to Charter Schools

Aloha Chair Oshiro, Vice-Chair Lee and members of the House Committee on Finance,

The Hawaii Charter Schools Network (HCSN) represents the unified voice of all 31 public charter schools in our state. We thank the Education Committee for this opportunity to speak on their behalf. We support the legislature's intent to address the needs of Hawaii's public charter school students.

We have supported efforts to amend Hawaii's charter school laws to bring them in line with the expectations of the Obama Administration's Race to the Top (RTT) program. With continued work, legislative actions this session could better position Hawaii to successfully secure an expected \$75million dollars in federal education support.

RTT validates what charters have been saying for years: Provide equitable resources, including facilities support, and in return charter schools must provide accountable and transparent governance and academic success benefiting kids.

We greatly appreciate the opportunity for a meaningful dialog on Hawaii's public charter schools and look forward to working with the legislature further.

Sincerely,

Alapaki Nahale-a
Executive Director
Hawaii Charter Schools Network

Curtis Muraoka
VP of Legislative Affairs
Hawaii Charter Schools Network

Community ♦ Choice ♦ Quality

Hawaii Charter Schools Network PO Box 1689 Hilo, Hawaii 96720
Tel. 808-640-4642/ www.hawaiiarterschools.com

CHARTER SCHOOL REVIEW PANEL
73-4460 Queen Ka'ahumanu Hwy Suite 128
Kailua - Kona, Hawai'i 96740

MARCH 25, 2010

To: House Finance Committee

From: Charter School Review Panel (CSRP)

Re: Support of the Intent of SB 2589 SD 2 HD 1

Aloha Chair Oshiro and members of the House Finance Committee. The Charter School Review Panel (CSRP) is in support of the intent of SB 2589 SD 2 HD 1. However, due to our make-up as a volunteer panel, bound by sunshine law, with only one (1) full-time staff member, we would like to request that the Charter School Administrative Office (CSAO) be charged with the responsibilities given to the CSRP in the current version of the bill.

Since it is virtually impossible for us to participate in the legislative process, due to sunshine law restrictions, we would also like to go on record via this testimony to assure the legislature that as Hawai'i's charter school authorizer, the CSRP continues to work tirelessly to create, implement and continuously review clear and rigorous criteria for charters to operate in Hawai'i. This includes instituting a mechanism for transparent academic and fiscal accountability, creating probation and revocation measures and monitoring enrollment throughout the year.

We would also like to state that we applaud the efforts of the current working group led by Senator Takamine to address funding and finance issues affecting charters and are confident that this workgroup will be able to promote equitable funding for charter school students in the near future.

We thank you for your ongoing support of Hawai'i's fledgling charter school movement, which provides viable choices in education to over 8000 public school students throughout Hawai'i.

Alvin Parker, Chair
Charter School Review Panel

KANU O KA 'AINA NEW CENTURY PUBLIC CHARTER SCHOOL
P.O. BOX 398
KAMUELA, HAWAII 96743

MARCH 25, 2010

To: House Finance Committee

From: Charter School Review Panel (CSRP)

Re: Support of the Intent of SB 2589 SD 2 HD 1

Aloha Chair Oshiro and members of the House Finance Committee. My name is Ku Kahakalau, and I am the founder and director of Kanu o ka 'Aina New Century Public Charter School, celebrating its 10th year as Hawai'i's first culturally-driven public charter. I also represent Hawaiian-focused charters on the Charter School Review Panel (CSRP).

My testimony is in support of the intent of SB 2589 SD 2 HD 1, with one basic change, namely, tasking the Charter School Administrative Office (CSAO) instead of CSRP to take on the responsibilities stated the current version of the bill. This is due to the fact that the CSRP is a volunteer panel, bound by sunshine law, with only one (1) full-time staff member.

As it is, the CSRP has a monumental task creating, implementing and continuously reviewing clear and rigorous criteria for charters to operate in Hawai'i, after six plus years of absolutely no oversight by the previous authorizer. This includes instituting a mechanism for transparent academic and fiscal accountability, creating probation and revocation measures and monitoring enrollment throughout the year. We also work closely with the current working group led by Senator Takamine to address funding and finance issues affecting charters and promote equitable funding for charter school students. Adding anymore responsibility to the panel which already meets twice a month is simply unrealistic and would distract from our primary task to assure the quality of Hawai'i's charters.

Mahalo nui for your ongoing support of Hawai'i's charter school movement, which provides viable choices in education to over 8000 public school students, including over 4000 native Hawaiians.

Me ke aloha pumehana,

Ku Kahakalau, Ph.D.



Ho'okāko'o Corporation

To: Representative Marcus R. Oshiro, Chair
Representative Marilyn B. Lee, Vice Chair
House Committee on Finance

From: Lynn Fallin, Ho'okako'o Corporation

Date: Thursday, March 25, 2010 at 3:30 pm

Subject: SB 2589 SD2 HD 1

SUPPORT FOR THE INTENT OF SB 2589 SD 2 HD 1 Relating to Charter Schools: Ho'okāko'o Corporation (HC) supports the intent.

Ho'okāko'o agrees that accountability is important for all Hawaii's public schools including charter schools.

Ho'okāko'o and partner conversion schools are committed to being fiscally responsible and achieving goals leading to positive changes in student outcomes; increased parent and community involvement; quality teaching; and effective school leadership. HC works closely with the schools to guide, monitor and support each of the schools.

Examples of fiscal accountability:

Schools hire School Business Managers and work closely with the HC Administrative Services Manager and a CPA firm (Ikeda and Wong) to receive guidance, technical assistance and support.

An annual financial audit by a CPA firm (Nishihama and Kishida) is required and conducted in each school.

Examples of academic innovation and change:

Expanded learning time

PreK

New teacher evaluation program

Concerns about SB 2589 SD2 HD1

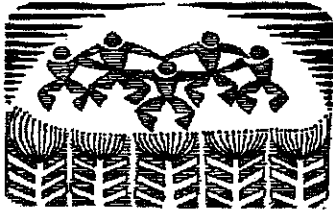
As conversion charter schools, like their DOE counterparts, the schools continue as the public community feeder schools for students living in the geographical area. Like other public DOE buildings, conversions serve the broader public as emergency shelters, election voting locations, and provide other public facility services.

We hope that any amendments to 302A will not jeopardize or diminish a conversion school's role or capacity to serve as the public feeder community school.

Ho`okāko`o Background: HC's mission is to help schools reinvent themselves for the purpose of improving the academic achievement and personal growth of their students. The Ho`okāko`o Corporation (HC) is implementing Act 2 (2002). Act 2 enables a Hawaii based nonprofit corporation to operate and manage conversion charter schools and the nonprofit board to serve as the local school board of the school. HC collaborates with communities, educators, and families to provide conversion charter schools with expertise and resources to improve student success.

HC was established in 2002. Three partner schools converted with HC - Waimea Middle School on the Island of Hawaii (2003); Kualapu`u School on Molokai (2004); and Kamaile Academy in Leeward Oahu (2007). The three schools are located in communities of significant socio-economic need and are Title 1 schools. The total enrollment of the three schools is about 1500 students.

Thank you for the opportunity to testify on SB 2589 SD2 HD 1.



Volcano School of Arts and Sciences

David Rizor, PhD Education Director

PO Box 845

Volcano, Hawaii 96785

(808) 985-9800

March 23, 2010

Dear Representative Oshiro and Honorable members of the Finance Committee,

I am writing to request that SB2589 be amended or that deferred bill SB 2889 be brought back for consideration. Either of these actions will strengthen the support of the legislature for unused classroom space and facilities to be utilized for public school instruction. SB 2889 would have transferred the facility currently used by Keakealani Outdoor Education Center, which is on the DOE closure list, to Volcano School of Arts & Sciences. SB 2859 requires DOE to make unused facilities available for use by charter schools, but lacks the urgency for timely transfer of facilities in this case to ensure that the facility continues to benefit students.

Based on recent history, it seems unlikely that the transfer will proceed in a timely manner without specific language included in SB2589 or bringing back 2889. Last spring, the KOEC program was closed, the facility was emptied and the gates locked. The Volcano community rallied to keep the facility, which was the community school for Volcano until 1974, serving students. Many Volcano and Kau citizens lobbied DOE to transfer the facility to Volcano School. The DOE responded by re-opening the KOEC program for one additional year. Now the program is on the closure list. I am proposing that either:

1. SB 2889 be brought back with an amendment stating that the facility will transfer to Volcano School of Arts & Sciences "upon closure of the KOEC program" or;
2. SB2589 be amended to include specific language regarding KOEC and the transfer of facilities to Volcano School immediately upon closure of the KOEC program.

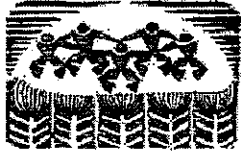
From all appearances, the KOEC program will be closed. Either of the suggestions above will turn an unfortunate situation into a winning situation by providing a facility for students at Volcano School, saving money for the DOE, and saving money for Volcano School by no longer paying rent to a private owner. Volcano School will also be eligible for federal funding, which it currently is not because the rented property belongs to Kamehameha Schools. If the KOEC program in Volcano is closed and the facilities are not quickly transferred to the local public school, the state will lose out twice. Because closure of the KOEC program appears imminent, a delay in transfer of the facility while rules are written and implemented under SB2589 may lead to the empty facility deteriorating in the rain and fog of Volcano, costing the state large amounts of money to "Learning through Volcano's unique natural and cultural resources today to become creative global citizens tomorrow"

repair it in the future. This makes specific and timely transfer language extremely important.

I strongly support the KOEC program and the opportunity it has given to public school students in Hawaii for many years, but it appears as though the handwriting is on the wall for its closure. If that happens, I strongly encourage the legislature to already have the legislation in place that ensures the facility, which was previously the community school in Volcano, to be transferred to the current public school within the community.

Sincerely,

David Rizor, PhD
Education Director



The Volcano School of Arts & Sciences

P.O. Box 845, Volcano, HI 96785 Phone 985-9800 Fax 985-9898

Aloha Representatives,

I am writing to encourage you to support SB 2589 because it is a step in the right direction to allowing charter schools to utilize state facilities that are available to house charter schools.

However I respectfully request that you reinstate SB 2589 because we need your help to ensure that our local public school be allowed access to the KOEC facility, should the KOEC outdoor education program be discontinued.

I understand that you have dropped SB 2589 because of the perception that it is not needed because of SB 2889. I am a teacher at the Volcano School of Arts and Sciences (VSAS) and I believe that SB 2589 is important because my classroom is currently in a tent. I often come in the morning to find that the temperature in my tent classroom is in the 50s. This is hardly an ideal circumstance for teaching and learning. Acquiring the KOEC facility would allow us to get students out of tents and into a building. If the DOE closes down the KOEC program we should have immediate access to that facility. The language of SB2589 is far too vague to ensure that this would happen. Our students will still be housed in tents while the DOE engages in a cumbersome review and transfer process.

The people of Volcano got together to form a charter school because they wanted a community school. The KOEC facility was the Volcano elementary school for over 50 years, prior to the DOE closing it in the 1970s and busing children to Mountain View. Since 2001, VSAS is "the Volcano community school" but without any facilities provided by the state. There are 162 children attending VSAS. Three of our classrooms are currently in tents. It would be a disgrace to let the KOEC facility sit vacant down the street while children attend classroom nearby in a tent.

Respectfully,

Star Mullins
5th grade teacher
Volcano School of Arts and Sciences

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 25, 2010 8:11 AM
To: FINTestimony
Cc: gofnc@yahoo.com
Subject: Testimony for SB2589 on 3/25/2010 3:30:00 PM

Testimony for FIN 3/25/2010 3:30:00 PM SB2589

Conference room: 308
Testifier position: support
Testifier will be present: No
Submitted by: F.N. Chaffin
Organization: Public School Teacher
Address: Pukeave Circle Volcano, HI
Phone: 808-985-7432
E-mail: gofnc@yahoo.com
Submitted on: 3/25/2010

Comments:

I have recently taught every subject in every grade available to students in Hawaii's Public Schools ... including the little school in Volcano. This note is to confirm a few observations which may be useful to those who have a vote on the captioned bill:

1. Families who have an option often drive their children an hour each way so those kids can attend the Volcano School
2. The teachers at Volcano School are exemplary and provide a superior educational opportunity to their students.
3. Students at Volcano are generally better behaved than students in other public schools.
4. Student parents and community members in Volcano are more active in the Volcano School than parents and community members in other public schools. The level of "volunteer" helpers is much higher than in other public schools and include PhD level instructors in math, foreign languages and music.
5. Management at the school is superior from top to bottom.
6. If you want proof that educational results are not directly related to the amount of money allocated to a specific school, Volcano School would be a good place to attend on a cold, wet, stormy day ... and see what goes on in the "tent city" that is Volcano School.

Finally, if legislators could manage to spend time in-class in public schools without the students knowing who they are, they would be appalled by the general chaos, lack of discipline, disrespect and outright theft of opportunity for anything approaching real education by a group of about 15% of miscreant students who are very successful little thieves, cheating their classmates out of any chance to learn in an environment conducive to learning Better still, every legislator should want to secretly volunteer as a substitute teacher for a week or two and learn first-hand exactly how severely public policies involving education have failed the state's children who can't, for whatever reason, get in one of the state's excellent private schools.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 24, 2010 3:58 PM
To: FINTestimony
Cc: tom@volcanohome.com
Subject: Testimony for SB2589 on 3/25/2010 3:30:00 PM

Testimony for FIN 3/25/2010 3:30:00 PM SB2589

Conference room: 308
Testifier position: support
Testifier will be present: No
Submitted by: Tom Young
Organization: Volcano community at large
Address: 113255 Huakai Street Volcano
Phone: 808-967-7249
E-mail: tom@volcanohome.com
Submitted on: 3/24/2010

Comments:

Many Volcanites have been aware of the pending status changes to Keakealani Outdoor Education Center (KOEK), and have crossed their fingers in hopes that the Volcano School of Arts and Sciences (VSAS) could acquire the property when vacated by the the DOE. It seemed the chances were better when another bill (SB2889) was introduced. With due respect to the DOE, if they have no current use for the site and VSAS does, there should be no room for waffling. VSAS serves a population of 162 students and has a waiting list as well. They need better facilities than the tents they now use, and KOEK definitely offers an upgrade in that regard.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 24, 2010 4:46 PM
To: FINTestimony
Cc: kaipo_kealoha@yahoo.com
Subject: Testimony for SB2589 on 3/25/2010 3:30:00 PM

Testimony for FIN 3/25/2010 3:30:00 PM SB2589

Conference room: 308
Testifier position: comments only
Testifier will be present: No
Submitted by: Chris King-Gates
Organization: Individual
Address: Liona St. Volcano, HI
Phone: 967-6923
E-mail: kaipo_kealoha@yahoo.com
Submitted on: 3/24/2010

Comments:

Aloha,

Please consider Senate Vice-President Russell Kokubun's intent of SB 2889 before passing this bill. He has the overwhelming support of the volcano community in voicing that Keakealani should be transferred back to the keiki of Volcano and surrounding communities served by VSAS if the program serving the entire state is shut down. By doing so you will have a direct effect on improving the future of education in Volcano as well as create good job opportunities in a struggling economy without spending a dime. Make no mistake, if you leave the wording as is in SB 2859 the DOE will find a way to not allow this successful charter school to use this facility by turning it into administrative offices or leaving it to sit empty. The DOE often acts vindictively towards charter schools and sometimes with reason. However, VSAS is a good school with community support so I ask you to please prevent this by adding the wording that directs the transfer of KOEC to VSAS. Mahalo.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 24, 2010 7:46 PM
To: FINTestimony
Cc: hikimiller@yahoo.com
Subject: Testimony for SB2589 on 3/25/2010 3:30:00 PM
Attachments: Testimony on SB2589.doc

Testimony for FIN 3/25/2010 3:30:00 PM SB2589

Conference room: 308
Testifier position: comments only
Testifier will be present: No
Submitted by: Kim Miller
Organization: Individual
Address: PO Box 194 Volcano, HI 96785
Phone: 808-985-9392
E-mail: hikimiller@yahoo.com
Submitted on: 3/24/2010

Comments:

Testimony on SB2589:

Dear Representatives,

I am writing in support of SB2589 as a step in the right direction to support facilities for charter schools. I am also writing to request that SB2889 be reinstated to address the specific needs of the Volcano community. If the DOE's KOEC Outdoor Education program is closed, then it is just and fair to return the facility to the local community by transferring it to Volcano School of Arts and Sciences, PCS (VSAS). KOEC was the Volcano elementary school for 50 years until the DOE closed it in the 1970's and bused Volcano students to Mt. View.

VSAS was founded by community members who felt passionately about reinstating a local school for the children of Volcano. Over a 100 community members met regularly to contribute to the creation of a community school and a founders group of 15 people worked hard to write the charter that was granted on January 11th, 2001. Since its inception, facilities at VSAS have been a challenge. With tremendous community support, the current site which is leased from Kamehameha was cleared of hundreds of tons of debris, rusted metal and weeds and temporary structures were put up to serve as classrooms. Unfortunately the lease was never transferred to Volcano School as had been promised by Kamehameha, so permanent structures have not been permitted and the school has not been permitted to apply for federal, state or private funds for facilities. The temporary structures at this point are moldy, leaky, beyond further repair, and provide little protection from SO₂ on vuggy days. Transfer of the KOEC facility to VSAS would allow our students to move out of the substandard tents, and would enable VSAS to apply for facilities funds to support the education of our 162 students. SB2889 is needed in addition to SB2589 in order to ensure immediate transfer of the KOEC facility to VSAS should the DOE close the Outdoor Education program.

VSAS has proven itself to be a successful local school, and has waiting lists for every grade level. Our children and our staff are in dire need of safe and adequate facilities. Transfer of the KOEC facility back to the Volcano community would have immediate impact to get our children out of tents and into classrooms. Thank you for your consideration of this testimony.

Dear Representative or Senator,

I'm writing in regards to the recent deferment of Senate bill 2889 and its subsequent consolidation in the current SB 2589. The original bill provided for the specific transfer of the facilities and grounds of the Keakealani Outdoor Education Center (KOEC) to the Volcano School for the Arts and Sciences (VSAS), a public charter school, in the event that the DOE Outdoor Education Program be canceled. As written, SB 2589 does not ensure that the vacated property be transferred to VSAS. I urge the legislature to reinstate SB 2889 in support of VSAS's mission to provide excellent K through 8th grade education for Volcano Village and greater Kau community.

Since 2001, VSAS has been the Volcano 'community' school and has strived to build a unique curriculum that draws from partnerships with Hawaii Volcanoes National Park and the diverse group of artists and scientists living and working in Volcano Village. As with other charters, we have to provide our own facilities and are currently operating with a month-to-month lease on private land zoned for conservation. The indefinite nature of the lease, zoning laws and other restrictions associated with the property have prevented the school from making much needed improvements and expansion of facilities on the current site. The best alternative site for our school is KOEC. VSAS and the Volcano community have always supported the excellent work of the Outdoor Education Program at KOEC, but if this beloved program is to become a casualty of austerity, then the Volcano community and the 162 students of VSAS would greatly benefit from the intent of SB 2889.

Respectfully,

Dennis A. LaPointe
VSAS School Board member (parent representative)
99-1795 Painiu Loop
Volcano, HI 96785

Dear Senator or Representative.

If the Outdoor Education Program at KOEC is canceled and the facility becomes available, Volcano School should be granted use of the facility. A prior bill in support of a transfer of the property, SB 2889, was deferred. The current bill, SB 2589, states that DOE properties *may* be transferred to Charter Schools. While this sounds like a step in the right direction, the wording is too vague and the mechanism for transfer is not certain.

We strongly request that the legislature reinstate SB 2889 with language to the effect that Volcano School shall be granted use of the KOEC property if the current Outdoor Education Program at KOEC is cancelled.

Please note the following points:

- KOEC was the Volcano elementary school for over 50 years, prior to the DOE closing it in the 1970s and busing children to Mountain View.

- Since 2001, VSAS is "the Volcano community school" but without any facilities provided by the state. There are 162 children attending VSAS.

- The Volcano School cannot get federal, state or private facilities funds due to restrictions and complications on their current site.

- Children at VSAS are still being educated in tents, because of facilities-issue gridlock on the current site. Transfer of the KOEC facility would end this immediately.

- If VSAS could save on paying rent they wouldn't need to take furlough days.

I am a founder, teacher, and parent of a child attending Volcano School of Arts & Sciences Public Charter School and have been deeply committed to the school for more than ten years.

We have struggled to provide adequate facilities suitable for teaching and learning, and still have classrooms and offices in tents. It rains a lot in Volcano and our tents are leaky and noisy with the rain pounding on them.

We are gaining more and more students each year and maintaining a wait list for those who wish to attend in the future if space becomes available. We have parents who come in and put their newborn on the wait list for kindergarten at our school – and others who are willing to drive from as far as Ocean View to enable their children to attend VSAS.

Please consider our community, our families, and our children.

Respectfully,

Lisa Barnard
99-1795 Painiu Loop
Volcano, HI 96785

Here is the bill that is being heard tomorrow:

http://www.capitol.hawaii.gov/session2010/lists/measure_indiv.aspx?billtype=SB&billnumber=2589

This is the bill that SB2889 (transfer of KOEC) was dropped in lieu of. This bill uses weak language, such as "may" instead of "shall," with a cumbersome review and transfer process.

The original SB2889 bill, which transfers KOEC to VSAS, can be seen here:

http://www.capitol.hawaii.gov/session2010/lists/measure_indiv.aspx?billtype=SB&billnumber=2889

Some points that you can make with testimony on SB2589 are:

- While we support this bill as a step in the right direction for charter schools in general, we wish to additionally see SB2889 reinstated, as a better bill addressing the specific needs of the Volcano community. (In the reinstatement of SB2889, one change needs to be made: **If** the DOE's KOEC outdoor education program is closed, **then** the KOEC facility transfers to VSAS. This should have been included in the original bill but was not.)

- KOEC was the Volcano elementary school for over 50 years, prior to the DOE closing it in the 1970s and busing children to Mountain View.

- Since 2001, VSAS is "the Volcano community school" but without any facilities provided by the state. There are 162 children attending VSAS.

- The Volcano school cannot get federal, state or private facilities funds due to restrictions and complications on their

current site.

- Children as VSAS are still being educated in tents, because of facilities-issue gridlock on the current site. Transfer of the KOEC facility would end this immediately.

- If VSAS could save on paying rent they wouldn't need to take furlough days.

Testimony can be submitted here, but needs to go in ASAP (the official deadline is 3:30 today, but it's likely that anything submitted this evening will also get heard, and will definitely get included in the record).

<http://www.capitol.hawaii.gov/emailtestimony/>
(SB2589)

SB2589 SD2 HD1

Committee on Finance
Room 308
March 25, 2010; 3:30 PM

Chair Oshiro, Vice Chair Lee, and members of the Committee:

I am writing in support of SB2589, however, I would like to see that a related bill, SB2889, not be held, as it better addresses the specific needs of the Volcano community.

SB2889 targets one Department of Education facility, the Keakalani Outdoor Education Center (KOEK) in Volcano, and gives it to one charter school, the Volcano School of Arts & Sciences (VSAS).

While I commend SB2589 as a general step in the right direction of getting unused DOE facilities to charter schools, I believe that the urgent situation in Volcano deserves this special treatment:

- The KOEK facility actually served as the Volcano elementary school for over 50 years, prior to the DOE closing it in the 1970s and busing students elsewhere. It was only after this closure that the facility was put to use as an outdoor education center.

- For decades Volcano parents requested that the DOE reopen a public school in Volcano, but were turned down. It was only with the enactment of the charter school laws in the late 1990s that a Volcano community group was able to form VSAS, which opened in 2001, and which currently has 162 students.

- The Volcano school cannot get federal, state or private facilities funds due to restrictions and complications as sub-lessees on their current site. They have only a month-by-month rental arrangement, and have been chronically frustrated with trying to resolve facilities issues which are magnified by Volcano's cold, wet climate.

- Children at VSAS are still being educated in tents, because of the facilities-issue gridlock. Transfer of the KOEK facility would end this immediately.

- If VSAS could stop paying rent they wouldn't need to take ANY furlough days.

Rather than a cumbersome new process involving the submittal of notices, establishment of vacancies, review by Panel, solicitation of applications, prioritization of applicants, and *maybe* the DOE deciding to offer up this particular facility (if no longer using it for the outdoor education program), I urge you to take decisive action and help this particular charter school in this particular and urgent set of circumstances. It comes at no cost to the state, will save the DOE money, and will immensely help the Volcano charter school.

Please revisit SB2889: do not hold this bill.

Sincerely,

Ted Pirsig

Business manager, The Volcano School of Arts & Sciences
P.O. Box 845
Volcano, HI 96785
(808) 985-8914

Hi everyone,

Here is the bill that is being heard tomorrow:

http://www.capitol.hawaii.gov/session2010/lists/measure_indiv.aspx?billtype=SB&billnumber=2589

This is the bill that SB2889 (transfer of KOEC) was dropped in lieu of. This bill uses weak language, such as "may" instead of "shall," with a cumbersome review and transfer process.

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Some points that you can make with testimony on SB2589 are:

- While we support this bill as a step in the right direction for charter schools in general, we wish to additionally see SB2889 reinstated, as a better bill addressing the specific needs of the Volcano community. (In the reinstatement of SB2889, one change needs to be made: IF the DOE's KOEC outdoor education program is closed, then the KOEC facility transfers to VSAS.

We are not trying to force out the Outdoor Education program at KOEC.)

- KOEC was the Volcano elementary school for over 50 years, prior to the DOE closing it in the 1970s and busing children to Mountain View.

- Since 2001, VSAS is "the Volcano community school" but without any facilities provided by the state. There are 162 children attending VSAS.

- The Volcano school cannot get federal, state or private facilities funds due to restrictions and complications on their current site.

- Children at VSAS are still being educated in tents, because of facilities-issue gridlock on the current site. Transfer of the KOEC facility would end this immediately.

- If VSAS could save on paying rent they wouldn't need to take furlough days.

Testimony can be submitted here, but needs to go in ASAP (the official deadline is 3:30 today, but it's likely that anything submitted this evening will also get heard, and will definitely get included in the record).

<http://www.capitol.hawaii.gov/emailtestimony/>

SB2589

Support this general intent of this bill.

Weak language / slow process

Related issue:

Urge that SB2889 be revived, with one change: that IF the KOEC outdoor education program is closed, then the KOEC facility transfer to VSAS.

The language and mechanism in SB2589 is slow and cumbersome; there is a clear need for VSAS to have these facilities now, not at the end of a long process.

Prior:

- Kids out of tents
- End furlough days

DOE has shown disinclination to transfer it to charters

March 22, 2010

Dear Representative Takumi,

I am writing in regards to SB2889, which would transfer the Department of Education's Keakealani Outdoor Education Center (KOEC) facility to the Volcano School of Arts & Sciences.

In speaking with Representative Herkes last week, he informed me that your intention is to incorporate this bill into the charter school omnibus bill, and change the language to where the school would receive the facility when the DOE is done with it. I am concerned about what would constitute the DOE definition of "done" in this case. Recent history shows that the DOE complex area superintendent seems determined that this facility should not go to the Volcano charter school.

The KOEC facility served over 50 years as the Volcano community's elementary school. In 1974 the DOE closed the school and began busing Volcano students to Mountain View elementary school, a 13-mile / one-hour school bus ride away. The DOE's Outdoor Education program then began using the building.

We Volcano parents asked for a local school again in the 1990s, but were told this would not happen. The Volcano community worked for years and succeeded in opening the Volcano charter school in 2001.

Last year the DOE essentially closed the outdoor education program at KOEC, with no one knowing what would happen to the facility. By June the program coordinator had transferred to a job elsewhere within the DOE. Then under mounting pressure to turn over the facility to the community for which it was originally built, the DOE Superintendent reinstated the Outdoor Education program.

This is the background which led to Senator Kokubun introducing SB2889 in the current legislative session.

It is not possible to overstate how much Volcano school needs this facility. In the 2010-11 school year it would mean that children currently being taught in four cold, drafty tents (where the acoustics are so bad that teachers cannot be heard in heavy rain, and where dehumidifiers vainly attempt to combat mildew) will be 100% shifted into real classrooms.

With subsequent buildout, it could also mean Volcano School can quit paying rent and facing innumerable facilities headaches at the current site. (The rent-savings alone would eliminate furlough days in the current budget scenario; as it is, the school is taking ten total, six of them student days.)

The Volcano school's problems with facilities are not for lack of trying. Since its first year, 2001-2002, the school has been the sub-lessee on a 4-acre set of parcels owned by Kamehameha Schools (KS). The school has made every effort to acquire the campus or obtain a long-term lease directly, and has wound up, essentially, caught in the crossfire between KS and the primary lessee. (KS takes years to come up with contract language, and is unwilling to release the current primary lessee from ongoing liability, despite immense lease changes he is not party to). The KS land is also zoned "conservation," with all the constraints that that implies -- despite being a former sawmill site and requiring extensive prior cleanup by Volcano school volunteers.

So currently the school still has no long-term lease on the site, and is renting on a month-to-month basis: zero security and nowhere to move to, should the rental end.

The school is unable to obtain any federal funds for facilities improvements, because of KS restrictions on tenant use; state funds for facilities are not being granted to any charter schools not on state land, when they're granted at all; and private lenders are unwilling to fund facilities without a long-term lease in place. Yet meanwhile situations arise such as the U.S. Environmental Protection Agency's demand that all gang cesspools be closed: The Volcano school spent \$30,000 last year to do this, out of regular per-pupil funds, caught in the middle once again. (The state won't fund such CIP requests on private land; and, without a school on the site, the landowners would not have gang cesspools, so it's not their problem.)

In numerous staff, parent and student surveys facilities needs have driven every other consideration. Yet: the Volcano charter school is an otherwise excellent school, with reading test scores among the highest in the state, while serving a higher-than-average special-education population and a free-and-reduced-lunch populace of 64%. But for a few percentage points on the math scores, the school would still be in AYP "good standing," while drawing from a geographic area whose DOE schools score far lower.

I urge you to help the KOEC facility be transferred to Volcano school, in the event of closure of the Outdoor Education program. This would save the DOE money, and it will be of inestimable value to both the school and the Volcano and Ka'u communities that the school serves.

Sincerely,

Ted Pirsig

Business manager, The Volcano School of Arts & Sciences
Treasurer, The Friends of VSAS, a 501(c)3 nonprofit
Home phone: (808) 967-7319

March 25, 2010

Esteemed Big Island Representatives and Senators, Chair and Members of the House and Senate Education Committees, and Speaker of the House and the President of the Senate:

Please reinstate SB2889 as it was before the amended version and make the following change: "*if* the DOE's KOEC outdoor education program is closed, *then* the KOEC facility transfers to VSAS." KOEC was the Volcano elementary school for over 50 years until the DOE closed it in the 1970's to bus students to Mountain View. Since 2001, VSAS has served as the community school in Volcano and has done so despite any facilities being provided by the state. Because of restrictions and complications at the current site, VSAS is not able to get federal, state, or private facilities funds. As a result, students are still being educated in tents. Transfer of KOEC would end this situation immediately.

In addition to the building, the outdoor facilities at KOEC are desperately needed, as well. As the VSAS Movement teacher for five years, I can attest that VSAS playfields are not large nor safe enough for most games and activities. Students, especially in Middle School, are severely limited in activities they can engage in Movement/PE classes and at recess, and our students' physical health is gravely lacking due to this deficit. For Middle School PE classes, I have had to take the students to KOEC which has ample and safe grounds for physical activities appropriate for their age. In doing so, the students have lost considerable classtime, and I have had to spend extra funds for an aide to assist with transport. Our students are not getting the attention they need in terms of their physical health, and lack of facilities are the greatest impediment. Transfer of KOEC with its large playfields would eliminate this problem, and students' physical health will be measurably improved.

Thank you so much for reinstating SB2889 and transferring KOEC to VSAS in the event the outdoor education program is closed.

Mahalo nui loa.

Anna Kalima Cayir