

Testimony to the Senate Committee on Ways and Means

HB 159 HD1 SD1

DATE: Wednesday, March 30, 2009

TIME: 9:30 am

PLACE: Conference Room 211

L A T E

Testimony in Opposition to HB 159

Submitted by David Rizer, Volcano School of Arts and Sciences

Good afternoon Chair Oshiro, and members of the Committee on Way & Means,

Thank you for this opportunity to testify in opposition to HB 159. There are provisions in this bill which will be harmful to the public school students in the state's charters schools. The provision in section 4 to increase the administrative amount held from the student per-pupil allocation charter school's receive would take an additional 3% from funding intended for students and redirect it to administrative costs. With the current allocation of approximately \$60 million, the amount held for the Charter School Administrative Office (CSAO) would increase from \$1.2 million to \$3 million. The question to be answered is "for what reason?"

With schools already struggling to survive on the current per-pupil allocation, which is 26% lower than four years ago, the increase from 2% to 5% being held for CSAO would have the effect of an additional 3% cut to per-pupil funding. For my specific school, this would increase the amount given to CSAO from about \$17,000 to about \$51,000. This would eliminate 1 teaching position.

The larger question remains regarding need. CSAO would receive \$1.2 million next year for operating funds if the current allocation level remains. I would be asked to operate an entire school on 1 million dollars minus \$51,000 for CSAO administrative costs plus a mandated external financial audit that costs \$10,000. Even with the increased staffing at CSAO, it is difficult to justify a \$3 million budget. There is a built-in budget increase every year for CSAO already. Since the amount withheld to operate the administrative office is fixed at 2% of the total charter school allocation, the dollar amount withheld increases every time the total allocation for charter schools increases. The irony is that charter schools are funded on a per-pupil basis, so if the total number of students enrolled in charter schools outpaces the allocation, the per-pupil amount for schools will drop while at the same time, the amount for administration held for CSAO will increase.

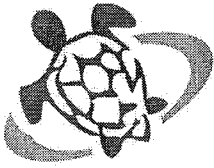
I also oppose the provision in section 1, added item B, relating to facilities costs. Costs should be included in an assessment and prioritization of need only IF they are

extraordinarily high and new facility arrangements would benefit students by significantly reducing costs. Charter schools operate very much like small businesses and work to get the best available deal. If cost is left as a weighting factor for facility recommendations, those schools that have lower costs would be penalized for preserving instructional dollars by finding affordable interim facilities. A school renting a facility in close proximity to an airport, for example, would be penalized if they had struck a favorable financial deal in this undesirable location, despite the fact that constant airplane noise from takeoffs and landings makes teaching and learning difficult.

I stand in Strong Opposition to HB 159 HD1 SD1 as currently written.

Respectfully submitted,

David Rizor, PhD
Education Director
Volcano School of Arts & Sciences



HAWAII TECHNOLOGY ACADEMYSM

Hawaii Public Charter School #551

94-810 Moloalo Street
Waipahu, Hawaii 96797
808-676-5444
808-676-5470 (Fax)

March 30, 2011

LATE TESTIMONY

Honorable David Ige, Chair
Honorable Michelle Kidani, Vice Chair
Senate Committee on Ways and Means

L A T E

Re: **HB 159, HD1 SD1, Relating to Charter Schools - Concerns**
Conference Room 211, 9:30AM

Aloha Chair Ige, Vice Chair Kidani and Committee Members:

On behalf of the Hawaii Technology Academy (HTA), a public charter school with learning centers in Waipahu and Princeville serving students on Oahu, Kauai, Hawaii Island and parts of Maui, thank you for the opportunity to testify in on this bill.

We support the provisions to address governance and compliance issues in this bill which we have been working on in collaboration with the Hawaii Charter School Network, Charter School Administrative Office (CSAO), Charter School Review Panel (CSRP) and other stakeholder groups. We believe the role of the two task forces proposed in SB1174 will serve as a catalyst to bring a resolution to our efforts.

However, while we do support the intent of the recent changes made to support essential responsibilities of the CSAO and CSRP, we fear the increase in the withholding of general fund allocation from up to 2% to up to 5% for CSAO/CSRP operating expenses only takes away funding from students in the classroom, where every nickel and dime makes a difference.

Today there are 31 public charter schools located throughout the state providing for the diverse educational needs of more than 9,000 students. On average, charter school enrollment has grown about 13% annually since 2001.

During this recession (FY2007 to 2010), charter schools experienced nearly 34% in budget cuts in comparison to other state agencies, which saw an average of 13-14% in cuts during the same period. Funding has decreased precipitously from \$8,149 per pupil in FY2007-08 to \$5,363 in FY2010-11. During the same period, enrollment in public charter schools has grown from 6,657 students in FY2007-08 to 9,026 students for this fiscal year.

Throughout the recession period, charter schools have made cost cutting efforts to operate with less staff and fewer resources, and to defer building maintenance or capital building projects. Some schools have made recent cuts to faculty just to get by this school year. Funding at such razor thin margins is unsustainable and perilously threatens the quality of public student education. Several charters may be approaching a breaking point in which the only choice will be to turn away students and or to close their doors.

We need all the help we can manage now to keep as much funding directed to the classroom in tact. We welcome and appreciate every nickel and dime in place to get schools by as the state makes its way through to economic recovery and as charter schools regain their pathway to sustainability.

For these reasons, we respectfully request that the committee keep the current statutory language in place and postpone the proposed change to Section 4 until when we are more economically stable again.

In closing, we understand these are dire times for the state and, therefore, welcome and appreciate every nickel and dime in place to get schools by as the state makes its way through to economic recovery and as charter schools regain their pathway to sustainability.

Sincerely,

Jeff Piontek
Head of School
Hawaii Technology Academy