

**HB 159**

**HD 1**

**Date:** 03/23/2011

**Committee:** Senate Education

**Department:** Education

**Person Testifying:** Kathryn S. Matayoshi, Superintendent of Education

**Title of Bill:** HB 0159,HD1(hscr877) RELATING TO CHARTER SCHOOLS.

**Purpose of Bill:** Establishes a funding formula for charter school facilities. Effective July 1, 2030. (HB159 HD1)

**Department's Position:** HB 0159,HD1 requires the Department of Education (DOE) to allocate funds to charter schools for facilities in an amount per sq.ft., determined by DAGS, for the number of sq.ft. not provided by the state, determined by DOE based on space in DOE schools provided for elementary and secondary students. Adjustments will also be made for space needs of distance-learning schools. The effective date of HB 0159, HD1 requirements if adopted is SY 2012-13.

DOE supports the intent of HB 0159, HD1, which is to provide funds to the charter schools for facilities, but recommends the following amendments:

1) Provide that the charter school administrative office (CSAO) allocate funds to start-up charter schools for facilities from lump sum appropriation to CSAO for this purpose. Facilities for conversion charter schools are already provided by DOE.

2) Provide for the appropriated amount to CSAO to be based on the per-student amount that is provided to DOE schools and conversion charter schools, equal to the annual debt service attributable to DOE, as

determined by the Department of Budget & Finance, divided by the total number of students in DOE and conversion charter schools.

Thank you for considering our testimony.



**HB159 HD1**  
**RELATING TO CHARTER SCHOOLS**  
Senate Committee on Education

March 23, 2011

1:15 p.m.

Room 225

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The Office of Hawaiian Affairs (OHA) **SUPPORTS** HB159 HD1, which seeks to establish a facilities funding formula for charter schools.

HB159 HD1 would help address the longstanding budget shortfalls faced by charter schools. Since 2005, OHA has provided \$8.5 million in grants to Hawaiian-focused charter schools. As a result of OHA's funding and the funding of other educational partners, we have seen growth in the number of Native Hawaiian students attending charter schools as well as improvement in achievement and success among Native Hawaiian students. Notwithstanding this supplemental funding, however, charter schools still face major budget shortfalls.

HB 159 addresses a key recommendation of the Charter Schools Funding Task Force: to develop a facilities funding formula distinct from the formula used to appropriate operational funding for charter schools. Adoption of this measure would bring all charter schools closer to funding parity with their Department of Education counterparts.

Therefore, OHA urges the committee to PASS HB159 HD1. Mahalo for the opportunity to testify.

**NEIL ABERCROMBIE**  
GOVERNOR



**ROGER MCKEAGUE**  
INTERIM EXECUTIVE DIRECTOR

**STATE OF HAWAII**  
**CHARTER SCHOOL ADMINISTRATIVE OFFICE**  
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**FOR: HB 159 HD1 Relating to Charter Schools**  
**DATE: Wednesday, March 23, 2011**  
**TIME: 1:15 p.m.**  
**COMMITTEE(S): Committee on Education**  
**ROOM: Conference Room 225**  
**FROM: Roger McKeague, Interim Executive Director**

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Testimony in support of the intent of H.B. No. 159 H.D. No. 1

Chair Tokuda, Vice Chair Kidani, and Members of the Committee:

Aloha, I am Roger McKeague, interim 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 addressing funding for public charter schools.

This bill establishes a funding formula for charter school facilities. The CSAO supports the intent of this bill while recognizing that this formula is still a work in progress.

The CSAO is ready, willing, and able to help with clarifying the details and specifics of the formula in this bill as it advances forward. Thank you for this opportunity to testify.



# HAWAII TECHNOLOGY ACADEMY<sup>SM</sup>

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March 23, 2011

Honorable Jill N. Tokuda, Chair  
Honorable Michelle Kidani, Vice Chair  
Senate Committee on Education

**Re: HB 159, HD1, Relating to Charter Schools - Support**  
Conference Room 225, 1:15 PM

Aloha Chair Tokuda, 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 support of this bill.

**HTA supports the establishment of a needs-based funding for charter-school facilities, which is a source of funding that is independent from per-pupil funds.**

Currently, facilities costs are taken from per-pupil funds. This practice detrimentally affects charter schools for two reasons.

First, facilities costs encumber a large portion of per-pupil funds, which also includes personnel costs for teachers and administrators. This results in a diminished amount of available funds for other educational needs. Second, charter schools have already endured budget cuts totaling more than 30 percent since the recession began in 2007.

**We humbly request that funding for charter school facilities be independent and not come out of per pupil funds.**

This bill is an outcome of the collaboration by the Charter School Funding Task Force (established by SCR 108), to look at detailed information on existing funding sources for charter schools, to evaluate the Department of Budget and Finance's calculation for DOE and charter school per-pupil allocations, to review discrepancies between these allocations, and to examine whether a portion of the debt service, repair and maintenance, and capital improvement expenses should be paid by charter schools.

For these reasons, we respectfully request that the committee pass a needs-based funding bill for charter schools this session.

Sincerely,

Jeff Piontek  
Head of School  
Hawaii Technology Academy

**HB 159-Relating to Charter Schools**

**Committee: Education**

**March 23, 2011**

**Room: 225**

**Time: 1:15 pm**

Aloha I would first like to thank the chair and the entire committee for this opportunity to testify in support of HB 159 which establishes a funding formula for charter school facilities.

As a former student from a charter school I see a concern with the aging and limited amount of facilities on site. The children and their families that are a part of a charter school should not be looked as second to the DOE. They are children that want to learn and get their education in a safe and clean environment. Every child deserves an education and a facility that will provide that.

The formula set forth in HB 159, clearly and fairly sets forth a method for determining how much each qualifying charter school will receive. This bill represents a major advance in providing equitable funding for charter schools and the children within it.

I therefore ask your support for HB 159, and thank you again for the opportunity to testify on this important issue.

Mahalo,  
Erin Tanaka