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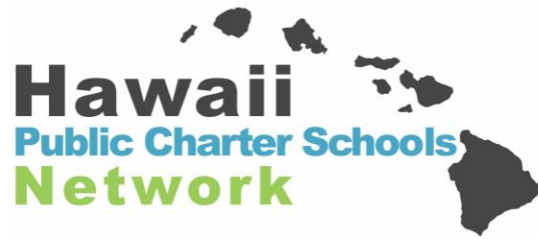
TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 1745, H.D. 1

February 21, 2014

RELATING TO EDUCATION

House Bill No. 1745, H.D. 1, authorizes the State Public Charter School Commission to assess fees through the promulgation of administrative rules to help offset its operating costs and makes various other amendments to clarify the existing public charter school statute.

While the Department of Budget and Finance does not take any position on this bill, the Legislature should consider: 1) the broad language which allows the assessment of fees for unspecified purposes; and 2) the need to assess fees for the State Public Charter School Commission's operations, as it seems to circumvent the budget review process.



Hawaii State House of Representatives
Committee on Finance

DATE: Friday, February 21, 2014

TIME: 1:00 p.m.

PLACE: Conference Room 308, Hawaii State Capitol

Chair Luke, Vice Chair Nishimoto, Vice Chair Johanson and members of the Committee,

Re: HB1745 HD1 – Support

Mahalo for the opportunity to testify on HB1745 HD1. Hawaii Public Charter Schools Network (HPCSN) is committed to quality education for all public school students in Hawaii through our work with Hawaii's public charter schools.

HPCSN is in STRONG SUPPORT of Section 4, Subsection (k), the creation of a new line item in the state budget to fund the State Public Charter School Commission (Commission) separate from, and in addition to, the charter school per pupil calculation. The legislature partnered with the charter school community to recodify the charter school law in 2012. The changes were focused on governance, authority and accountability. The charter school governance system is very different as charter schools are accountable to their governing boards. The Governance, Accountability and Authority Legislative Task Force of 2011 anticipated additional costs that would be associated with their proposal for sweeping changes to the charter school law which included many new responsibilities and obligations for charter school governing boards and school staff. Realizing this, the task force recommended that the Commission's operating costs be paid by the state budget through a separate line item. Charter schools would gain an increase of approximately 2% in funding through this act.

\$1,235,114 Commission Costs for FY 14-15

+\$289,506 Governor's Supplemental Request for Commission Costs for FY14-15

\$1,524,620 Total for New Commission line item for FY14-15

Hawaii's charter schools are in desperate times and need your help to survive. Unlike the Hawaii DOE, charter schools have to pay for their facilities costs with their per pupil allocation. We humbly ask for your consideration of other bills and efforts that address facilities support for charter schools.

Mahalo for your support of Hawaii's public students, their families and public charter schools.

Sincerely,

A handwritten signature in black ink, appearing to read "Lynn Finnegan". The signature is stylized with a large, sweeping flourish at the end.

Lynn Finnegan
Executive Director



Hawaii State House of Representatives
Committee on Finance

Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice Chair
Representative Aaron Ling Johanson, Vice Chair

**Testimony In Support of HB 1745
Relating to Education**

Chair Sylvia Luke, Vice Chairs, Scott Y. Nishimoto and Aaron Ling Johanson, and members of the Finance Committee:

Mahalo for the opportunity to testify on HB 1745. The Ho`okāko`o Corporation is committed to excellence in public education through our work with conversion charter schools, which educate nearly 20% of Hawaii's charter school student population in grades Pre-Kindergarten through 12.

HC wishes to express support for HB 1745.

Hawaii's charter schools embrace the challenge to provide public education opportunities to Hawaii's children to promote their academic achievement and ensure their success in school and in life. Through innovations, best practices, and operational efficiencies, and while remaining accountable for the same state and federal standards and requirements, charters are attempting to give students a rigorous educational experience and learning environment. But, as a charter school community, we are asked to build quality public schools with less state per pupil dollars than non-charter schools receive.

While efforts continue to achieve greater parity in per-pupil allocations, it is increasingly important that our schools preserve their per pupil allocation and ensure that these resources are spent on classroom teaching and learning. While serving on the Charter School Governance and Accountability Task Force, this current legislation (Act 130) was intended to create a separate line item in the state budget to fund Commission staff. We therefore strongly support the addition of the following language:

"The legislature shall make an appropriation to the commission separate from, and in addition to, any appropriations made to charter schools pursuant to sections 302D-28 and 302D-29.5".

We also support language in this bill that allows enables Ho`okāko`o's board to govern and operate more than one charter school. This governance model provides a unique opportunity for our board to leverage resources for multiple schools and implement clear methods of accountability for teacher and student success. As the Commission and non-profit organizations continue to define their role within the charter sector, Ho`okāko`o's board and staff continues to provide its charter schools critical back-end support services to sustain operations and maintain quality and transparency at a time when funding is very scarce.

We appreciate this opportunity to testify on behalf of this legislation, and urge the committee to vote in favor of HB 1745.

Mahalo,

A handwritten signature in black ink, appearing to read 'Megan McCorriston', written in a cursive style.

Megan McCorriston, Executive Director
Ho'okāko'o Corporation



STATE OF HAWAII
Laupahoehoe Community Public Charter School

35-2065 OLD MAMALAHOA HIGHWAY
P.O. Box 189 Laupahoehoe, HI 96764
TEL: (808) 962-2200 FAX: (808) 962-2202

School Year 2013-2014

Hawaii State House of Representatives
Committee on Finance

DATE: February 21, 2014
TIME: 1:00 p.m.
PLACE: Room 308

Chair Luke, Vice Chairs Nishimoto and Johnson and members of the House Finance Committee,

RE: HB 1745 section 4, subsection k which provides for an appropriation to fund the Hawaii Charter School commission that is separate for any appropriation made to fund charter schools—In Support of this section.

I support section 4 subsection K as means to help the financial health of charter schools. The funding of a charter school office in the past has been taken out of the allocation intended to fund children's educations. This has typically been about 2% of the allocation to each charter school. The impact is significant for charter schools. My school, for example, lost nearly \$30,000 or the equivalent of funding for 5 of our 220 students. Coupled with the lack of funding for special education preschool, we did not receive funding for 10 of our students for the current school year, or about \$60,000. This is equivalent to 1 teacher position lost from a staff of 15.

We support this section of HB 1745.

Mahalo for your support of Hawaii's charter school students and families,

David Rizor, PhD
Director
Laupahoehoe Community Public Charter School



Hawaii State House of Representatives
Committee on Finance
February 19, 2014

Chair Luke, Vice Chair Nishimoto, Vice Chair Johanson, and Members of the Finance Committee,

Mahalo for the opportunity to provide testimony regarding HB 1745, HD1. This testimony is specifically in support of Section 4, subsection k, which changes the Commission's funding stream to be separate from the charter school per pupil.

I am the Founder and School Leader for SEEQS, the School for Examining Essential Questions of Sustainability. We are the state's newest public charter school; we were authorized in December 2012 and opened our doors to our founding class of more than sixty 6th and 7th graders in August 2013. While we are incredibly proud of the work are students are doing and have done thus far, our financial challenges are significant, given the existing per-pupil funding. Removing even 2% of that per-pupil allocation to fund the commission's operations takes away critical funds that enable our school to be fully functional and provide high quality education.

It greatly simplifies things to separate the funding of the Commission from the funding of the schools and students. Given the evolving role of the Commission to one of oversight and ensuring compliance, it does not make sense for charter schools to essentially pay the Commission to do that work (as is the current state of affairs, without passing this section of the bill).

Please include the language that "the legislature shall make an appropriation to the commission separate from, and in addition to, any appropriations made to charter schools pursuant to sections 302D-28 and 302D-29.5" (as is currently included Section 4, subsection k) in the finance bill that you pass.

Mahalo for your consideration.
Buffy Cushman-Patz
SEEQS Founder and School Leader

NEIL ABERCROMBIE
GOVERNOR



CATHERINE PAYNE
CHAIRPERSON

STATE OF HAWAII
STATE PUBLIC CHARTER SCHOOL COMMISSION
(‘AHA KULA HO‘ĀMANA)

<http://CharterCommission.Hawaii.Gov>
1111 Bishop Street, Suite 516, Honolulu, Hawaii 96813
Tel: 586-3775 Fax: 586-3776

LATE

FOR: HB 1745 HD1 Relating to Education
DATE: Friday, February 21, 2014
TIME: 1:00 p.m.
COMMITTEE(S): House Committee on Finance
ROOM: Conference Room 308
FROM: Tom Hutton, Executive Director
State Public Charter School Commission

Testimony in support

Chair Luke, Vice Chairs Nishimoto and Johanson, and members of the Committee:

The State Public Charter School Commission (“Commission”) supports this bill, which incorporates the Commission’s request to the Legislature for various revisions to Hawaii’s charter school statute, Hawaii Revised Statutes (“HRS”) Chapter 302D.

Among other changes, this bill would:

- Clarify that the Commission’s budget shall be appropriated separately from, and in addition to, appropriations made to charter schools—this was the expectation when the new charter school law, Act 130 of 2012, was enacted and replaced the previous formula under which the Charter School Administrative Office (“CSAO”) had been funded with two percent of the per-pupil funds appropriated for schools, but at the end of the 2013 legislative session the Commission’s budget was unexpectedly deducted from out of the schools’ funding;
- Expressly allow the Commission to reconstitute a charter school’s governing board under certain exigent circumstances, including unlawful or unethical conduct by

governing board members or school personnel or other circumstances that raise serious doubts about the current board's ability to fulfill its statutory, contractual, or fiduciary duties;

- Authorize the Commission to assess fees from non-state entities as may help cover certain operating costs; and
- Strengthen certain provisions relating to potential conflicts of interest on charter school governing boards, including by providing for "cooling off" periods and addressing vendors and contractors that provide goods or services to the school.

As to the last point on conflicts of interest, the Commission wishes to clarify that the intent was include vendors and contractors in the protections of HRS § 302D-12 related to the composition of a charter school's governing board, but not to subject vendors and contractors to the state Ethics Code. We have attached proposed amendments to clarify this point and will be pleased to work with Committee staff or, if more appropriate, to pursue these amendments with the subject matter committee or committees as this bill and/or its Senate companion advance.

Thank you for the opportunity to provide this testimony.

PROPOSED REVISIONS TO HB 1745 HD1

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

"§302D-12 Charter school governing boards; powers and duties. (a) No more than one-third of the voting members of a governing board shall be employees of a school, ~~or~~ relatives of employees of a school under the jurisdiction of that governing board, or a vendor or contractor providing goods or services to a charter school ~~[-]~~ unless at least one year has passed since the conclusion of the employee's employment with, or the vendor's or contractor's provision of goods or services to, the school.

(b) In selecting governing board members, consideration shall be given to persons who:

- (1) Provide the governing board with a diversity of perspective and a level of objectivity that accurately represent the interests of the charter school students and the surrounding community;
- (2) Demonstrate an understanding of best practices of nonprofit governance; and
- (3) Possess strong financial and academic management and oversight abilities, as well as human resource and fundraising experience.

~~[(b)]~~ (c) No employee of a charter school, ~~or~~ relative of an employee of a charter school, or vendor or contractor of goods and services to a charter school may serve as the chair of the governing board of that charter school~~[-]~~ unless at least one year has elapsed since the conclusion of the employee's employment with, or the vendor's or contractor's provision of goods or services to, the school; provided that an authorizer may grant an exemption from the provisions of this subsection based upon a determination by the authorizer that an exemption is in the best interest of the charter school.

(d) Section 78-4 shall not apply to members of governing boards; provided that no governing board member shall be allowed to serve on more than two governing boards simultaneously. For purposes of this provision, a governing board that governs more than one public charter school shall be considered one board.

~~[(e)]~~ (e) The governing board shall be the independent governing body of its charter school and shall have oversight over and be responsible for the financial, organizational, and academic viability of the charter school, implementation of the charter, and the independent authority to determine the organization and management of the school, the curriculum, virtual education, and compliance with applicable federal and state laws. The governing board shall ensure its school complies with the terms of the charter contract between the

authorizer and the school. The governing board shall have the power to negotiate supplemental collective bargaining agreements with the exclusive representatives of their employees.

~~[(d)]~~ (f) Governing boards and charter schools shall be exempt from chapter 103D, but shall develop internal policies and procedures for the procurement of goods, services, and construction, consistent with the goals of public accountability and public procurement practices. Governing boards and charter schools are encouraged to use the provisions of chapter 103D wherever possible; provided that the use of one or more provisions of chapter 103D shall not constitute a waiver of the exemption from chapter 103D and shall not subject the charter school to any other provision of chapter 103D.

~~[(e)]~~ (g) Charter schools and their governing boards shall be exempt from the requirements of chapters 91 and 92. The governing boards shall:

(1) Hold meetings open to the public;

~~[(1)]~~ (2) Make available the notices and agendas of public meetings:

(A) At a publicly accessible area in the governing board's office [~~and the authorizer's office~~] so as to be available for review during regular business hours; and

(B) On the governing board's or charter school's internet website [~~, if applicable, and the authorizer's internet website~~] not less than six calendar days prior to the public meeting, unless a waiver is granted by the authorizer or authorizer's designee in the case of an emergency; and

~~[-(2)]~~ (3) Make available the minutes from public meetings within thirty days and maintain a list of the current names and contact information of the governing board's members and officers:

(A) In the governing board's office [~~and the authorizer's office~~] so as to be available for review during regular business hours; and

(B) On the governing board's or charter school's internet website [~~, if applicable, and the authorizer's internet website~~].

~~[-(f)]~~ (h) All charter school employees and members of governing boards shall be subject to chapter 84.

~~[-(g)]~~ (i) Governing boards shall be exempt from sections 26-34 and 26-36. The State shall afford the governing board of any charter school the same protections as the State affords the board ~~[-]~~ in accordance with section 26-35.5.

~~[-(h)]~~ (j) For purposes of this section:

"Employees" shall include but not be limited to ~~[the]~~:

(1) The chief executive officer, chief administrative officer, executive director, or otherwise designated head of a charter school ~~[and shall include any]~~; and

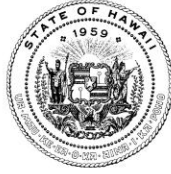
(2) Any person under an employment contract to serve as the chief executive officer, chief administrative officer, executive director, or designated head of a charter school ~~[.]~~; and

~~(3) Any vendor or contractor providing goods or services to a charter school.~~

"Relative" means a spouse, fiancée, or fiancée of the employee; any person who is related to the employee within four degrees of consanguinity; or the spouse, fiancée, or fiancée of such person.

~~[(i)]~~ (k) Whenever a charter school or governing board seeks to enter into a contract with a private organization, whether for-profit or nonprofit, to manage or operate the charter school, which contract requires the private organization to employ or otherwise provide the charter school with an individual to serve in the capacity of the chief executive officer, chief administrative officer, executive director, or designated head of the charter school, the charter school's governing board, in consultation with the state ethics commission, shall adopt standards of conduct that shall apply to

the chief executive officer, chief administrative officer, executive director, or designated head of the charter school. The standards of conduct shall include provisions relating to gifts, fair treatment or misuse of position, and conflicts of interest, and shall be incorporated into and made part of any contract or arrangement between the charter school or governing board and the private organization for those services."



**STATE OF HAWAII
Kualapu'u School
Public Conversion Charter**

P O Box 260
Kualapu'u, Molokai, Hawaii 96757
Phone: (808) 567-6900, Fax: (808) 567-6906

LATE

Hawaii State House of Representatives
Committee on Finance

Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice Chair
Representative Aaron Ling Johanson, Vice Chair

**Testimony In Support of HB 1745
Relating to Education**

Chair Sylvia Luke, Vice Chairs, Scott Y. Nishimoto and Aaron Ling Johanson, and members of the Finance Committee:

Mahalo for the opportunity to testify on HB 1745. Kualapu'u School, in partnership with the Ho'okāko'o Corporation (HC) as the local school board, is committed to excellence in public education through our work as a conversion charter school. Kualapu'u School services 350 students in PreK through 6th Grade, in central Molokai. Kualapu'u also has a high poverty rate of 84% students qualifying for federal free and reduced lunches, and also has a high Native Hawaiian population of 91%

Kualapu'u Public Conversion Charter School wishes to express support for HB 1745.

Hawaii's charter schools embrace the challenge to provide public education opportunities to Hawaii's children to promote their academic achievement and ensure their success in school and in life. Through innovations, best practices, and operational efficiencies, and while remaining accountable for the same state and federal standards and requirements, charters are attempting to give students a rigorous educational experience and learning environment. But, as a charter school community, we are asked to build quality public schools with less state per pupil dollars than non-charter schools receive.

While efforts continue to achieve greater parity in per-pupil allocations, it is increasingly important that our schools preserve their per pupil allocation and ensure that these resources are spent on classroom teaching and learning. It is my understanding that the current legislation (Act 130) was intended to create a separate line item in the state budget to fund Commission staff. We therefore strongly support the addition of the following language:

“The legislature shall make an appropriation to the commission separate from, and in addition to, any appropriations made to charter schools pursuant to sections 302D-28 and 302D-29.5”.

We also support language in this bill that allows enables Ho`okāko`o’s board to govern and operate more than one charter school. This governance model provides a unique opportunity for our board and our school to leverage resources among multiple schools and implement clear methods of accountability for teacher and student success. As the Commission and non-profit organizations continue to define their role within the charter sector, Ho`okāko`o’s board and staff continues to provide its charter schools critical back-end support services to sustain operations and maintain quality and transparency at a time when funding is very scarce.

We appreciate this opportunity to testify on behalf of this legislation, and urge the committee to vote in favor of HB 1745.

Sincerely,



Lydia M. Trinidad
Principal
Kualapu`u Public Conversion Charter School
Kualapu`u, Moloka`i, Hawai`i



From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 21, 2014 1:45 PM
To: FINTestimony
Cc: ilikered3@rocketmail.com
Subject: Submitted testimony for HB1745 on Feb 21, 2014 13:00PM

HB1745

Submitted on: 2/21/2014

Testimony for FIN on Feb 21, 2014 13:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Linda Elento	Individual	Comments Only	No

Comments: The Dept. of Education, the Board of Education, the new Charter School Commission and charter schools do not agree on who is responsible for the determination and provision or payment of services or accommodations pursuant to Sec 504, ADA, and HAR 8-61 for students at or students applying to enroll in a charter school of choice? What does the current state statute require? Ref. HRS 302D-28, 30. In reference to page 46 of HB1745, line 14, HRS 302D-34 begins with Enrollment at charter schools may not discriminate based on a student's disability. On page 47: The HRS section noted (6) "May give any other enrollment preference permitted by the charter school's authorizer, on an individual charter school basis, if consistent with law" gives rise to a charter school's interpretation and denial of entry for students who have disabilities and require only Section 504 (or ADA) accommodations because of lack of funding. Hawaii statutes need to clearly define special education authority and provision of IDEA, Section 504, and ADA accommodations or modifications separately in charter school enrollment and programs, as children with disabilities are still being denied entry to charter schools, and may not be provided necessary accommodations equally as for students at regular department schools as the law requires.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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