

Date: 02/03/2014
Time: 02:00 PM
Location: Conference Room 309
Committee: House Education

Department: Education

Person Testifying: Kathryn S. Matayoshi, Superintendent of Education

Title of Bill: HB 1971,HD1 RELATING TO LABOR.

Purpose of Bill: Allows administrative, support, and instructional employees in charter schools to fully participate in the State's systems for certain employee benefits and additional supports and incentives offered by the Department of Education.

Department's Position:

The Department of Education (Department) supports HB 1971, HD1. However, the Department does not have any record of these employees, which is necessary in order to be able to process the proposed employee benefits and additional supports and incentives. In order for the Department to process these services, the 23 Public Charter Schools would be required to purchase the Department's administrative, personnel, and payroll services. Further, this bill will affect future funding needs and the department will need to include a request accordingly, with our FY 2015-2017 biennial budget request. If funding is not provided, the department will not be able to cover these additional yearly costs.

NEIL ABERCROMBIE
GOVERNOR



CATHERINE PAYNE
INTERIM 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

FOR: HB 1971 HD1 Relating to Labor
DATE: Monday, February 03, 2014
TIME: 2:00 p.m.
COMMITTEE(S): House Committee on Education
ROOM: Conference Room 309
FROM: Tom Hutton, Executive Director
State Public Charter School Commission

Testimony in support of HB 1971 HD1, with reservations

Chair Takumi, Vice Chair Ohno, and members of the Committee:

The State Public Charter School Commission is pleased to offer these comments for the Committee’s consideration on House Bill 1971, Relating to Labor, which would amend HRS § 302D-26 to provide that the State shall afford charter school employees full participation in several types of employee benefits not currently listed in that provision, including supports and incentives offered Department of Education (DOE) employees pursuant to collective bargaining agreements, in accordance with the requirements for each. We support the bill inasmuch as it would provide funding previously unavailable to charter schools to provide their employees with these benefits, but we have some concerns with the measure as currently drafted.

Under HRS § 302D-28, standard fringe benefits for charter school employees are funded directly by the Department of Budget and Finance (B&F), rather than being paid for out of charter school budgets. Under the statute, these benefits currently include retirement, workers’ compensation, unemployment insurance, temporary disability insurance, and health benefits.

Master collective bargaining agreements are negotiated by the DOE with the exclusive representatives of all public school employees, including charter school employees, but charter school governing boards and the exclusive representatives are empowered under HRS § 302D-

25 to negotiate supplemental agreements that differ from the master contracts, in order to facilitate decentralized decision-making. The agreements are funded from state allocations to schools or the schools' other sources of revenue, except that collective bargaining increases provided for by the Legislature in collective bargaining appropriation bills are allocated by B&F to the Commission for distribution to the schools.

Our present understanding of the current status and funding relative to charter school employees of each of the benefits, supports, and incentives that the bill would add to the list of those to be provided by the State is as follows:

- **Sick leave, vacation:** These benefits already are funded by B&F to the extent they are paid out as part of regular payroll.
- **Leave-sharing:** State agencies currently are allowed by HRS § 78-26 to offer their employees leave-sharing, and the 2013-2017 master agreement between the DOE and the Hawaii State Teachers Association (HSTA) now includes a new provision for the sharing of maternity and paternity leave. That provision currently applies only to DOE teachers, and our understanding is that extending it to all BU 5 employees and allowing for such leave-sharing among teachers in all DOE and charter schools is presently impractical and would require resolving significant operational issues that may also entail some expense. The DOE has expressed concern over the administrative costs and practical challenges presented by implementing some aspects of the proposal like this one.
- **Hard-to-staff incentives:** These were not funded in the collective bargaining appropriation for the HSTA contract, and the six charter schools whose entire faculties would qualify for these incentives would be hard-pressed to provide them without the funding. We estimate the funding would amount to \$249,000 in each of FY 2014 and 2015, increasing to \$498,000 in FY 2016.
- **National Board certification incentives:** We are currently attempting to gather information on the number of teachers serving in charter schools who qualify for these incentives, which are statutorily provided for under HRS § 302A-706. The funding for these incentives is included in budget code EDN 200. This means that in theory charter schools collectively receive an enrollment-based percentage of such funds on a per pupil basis, but this does not correlate to which schools actually employ teachers who would qualify for these incentives, which can run as high as \$10,000 per year.
- **Special education teacher incentives:** Assuming this refers to the recruitment and retention incentives provided for under the HSTA master agreement, the DOE employs the special education teachers who serve in charter schools and, we assume, provides these incentives. However, some charter schools have indicated that they have been informed that the charter schools, and not the DOE, are

expected to fund the hard-to-staff incentive pay for DOE special education teachers who serve in the charter school.

- **Bonuses for completion of probation:** Teacher bonuses for completion of teacher probation after execution of the HSTA master agreement have not yet been earned by current probationary teachers and thus have not yet been funded. Most charter school teachers do not receive tenure but under supplemental agreements are employed on a year-to-year basis.
- **Teacher licensing fees:** Payment of teacher licensing fees for tenured teachers is not effective until the 2014-2015 school year. Again, charter school teachers generally are not tenured, and the DOE teacher evaluation ratings specifically required for this benefit under the HSTA master agreement may not correspond to those used in the charter schools' individual teacher evaluation systems, which are not the same as the DOE's Educator Effectiveness System.

If this measure advances, the Commission respectfully requests that the Committee consider the following revisions:

1. In order to reconcile the inconsistencies described above, and to respect the uniqueness and operational autonomy of the charter schools and the discretion of their employees to negotiate terms of employment that may differ from those under the master agreements, and to avoid a scenario in which costs become mandatory but the commensurate funding is not made available, the bill should be amended to stipulate that the State shall afford charter school employees these additional benefits, incentives, and supports in accordance the requirements for each, including the provisions of any supplemental agreements entered into pursuant to HRS § 302D-25.
2. To avoid ambiguity and resulting disputes, the list of benefits, supports, and incentives that the State shall afford should be specific and finite. The current "including, but not limited to" language is open-ended and could result in unintended costs to the State and encroachments on charter school autonomy.

Thank you for the opportunity to provide this testimony and for your consideration of these comments.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Twenty-Seventh Legislature, State of Hawaii
House of Representatives
Committee on Education

Testimony by
Hawaii Government Employees Association
February 3, 2014

H.B. 1971, H.D. 1 – RELATING TO LABOR

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of H.B. 1971, H.D. 1, which allows administrative, support and instructional employees in charter schools to fully participate in the State's systems for certain employee benefits and additional supports and incentives offered by the Department of Education; and appropriates funding.

The HGEA represents some of the employees of the charter schools, including educational assistants, school security, school health aides, clerks, principals and office assistants. Our members work hard to teach and care for students of Hawaii's charter schools in a safe and productive educational environment. We urge passage of H.B. 1971, H.D. 1 to allow charter school staff to be treated fairly as their counterparts in the non-charter schools under the Department of Education.

Thank you for the opportunity to testify in support of H.B1971, H.D. 1.

Respectfully submitted,

Randy Perreira
Executive Director



1200 Ala Kapuna Street ♦ Honolulu, Hawaii 96819
Tel: (808) 833-2711 ♦ Fax: (808) 839-7106 ♦ Web: www.hsta.org

TESTIMONY BEFORE THE HOUSE
COMMITTEE ON EDUCATION

Wil Okabe
President
Joan Kamila Lewis
Vice President
Colleen Pasco
Secretary-Treasurer
Alvin Nagasako
Executive Director

DATE: TUESDAY, JANUARY 28, 2014

RE: H.B. 1971, HD1 - RELATING TO LABOR

PERSON TESTIFYING: WIL OKABE
HAWAII STATE TEACHERS ASSOCIATION

The Honorable Chair Roy Takumi, The Honorable Vice-Chair Takashi Ohno and the Members of the Committee:

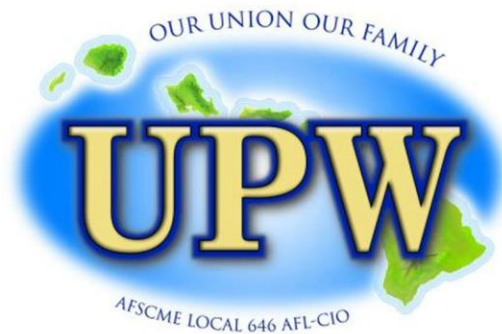
The Hawaii State Teachers Association (HSTA) strongly **supports H.B. 1971, HD1** relating to Charter School Teachers.

HSTA is the exclusive representative of more than 13,500 public and charter school teachers statewide. As the state affiliate, of the 3.2 million members of the National Education Association, HSTA believes that all bargaining unit 5 members shall be treated fairly.

HSTA believes that administrative, support, and instructional employees in charter schools should have the right to fully participate in the State's systems for certain employee benefits and additional supports and incentives offered by the Department of Education. Currently local school boards have been negotiating a lesser contract to charter schools teachers via a supplemental contract.

It is recommended that the charter school commission provide oversight and technical assistance on supplemental contracts as local school boards have offered contracts with teacher earning less than the HSTA salary schedule.

Thank you for the opportunity to testify in **support of H.B. 1971, HD1.**



THE HAWAII STATE HOUSE OF REPRESENTATIVES
The Twenty-Seventh Legislature
Regular Session of 2013

COMMITTEE ON EDUCATION

The Honorable Rep. Roy M. Takumi, Chair
The Honorable Rep. Takashi Ohno, Vice Chair

DATE OF HEARING: Monday, February 3, 2014
TIME OF HEARING: 2:00 P.M.
PLACE OF HEARING: Conference Room 309

TESTIMONY ON HB1971, HD1 RELATING TO LABOR

By DAYTON M. NAKANELUA,
State Director of the United Public Workers, AFSCME Local 646, AFL-CIO

My name is Dayton M. Nakanelua and I am the State Director of the United Public Workers, AFSCME, Local 646, AFL-CIO (UPW). The UPW is the exclusive representative for approximately 11,000 public employees, which include blue collar, non-supervisory employees in Bargaining Unit 01 and institutional, health and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. The UPW also represents about 1,500 members of the private sector.

The UPW supports HB1971, HD1 that allows administrative, support, and instruction employees in charter schools to fully participate in the State's systems for certain employee benefits and additional supports and incentives offered by the Department of Education. Appropriates funds.

Thank you for the opportunity to testify on this measure.

ohno2-Rexie

From: mailinglist@capitol.hawaii.gov
Sent: Friday, January 31, 2014 10:09 PM
To: EDNtestimony
Cc: sherrianwitt@aol.com
Subject: *Submitted testimony for HB1971 on Feb 3, 2014 14:00PM*

HB1971

Submitted on: 1/31/2014

Testimony for EDN on Feb 3, 2014 14:00PM in Conference Room 309

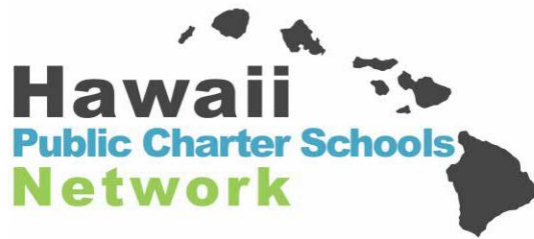
Submitted By	Organization	Testifier Position	Present at Hearing
sherrian witt	Individual	Support	No

Comments:

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

LATE



Hawaii State House of Representatives
Committee on Education

DATE: Monday, February 3, 2014

TIME: 2:00 p.m.

PLACE: Conference Room 309, Hawaii State Capitol

Chair Takumi, Vice Chair Ohno and members of the House Education Committee,

Re: HB1971 HD1 – Support with Reservations

Mahalo for the opportunity to testify on HB1971 HD1 Relating to Labor. 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.

This bill proposes to mandate additional State system benefits, support and incentives to charter schools employees. HPCSN would like to offer a few comments for consideration:

- 1) Charter schools should have the ability to have incentives negotiable in a charter school's supplemental agreement instead of mandated in law.
- 2) Some charter schools may have addressed issues like hard-to-fill incentives by attracting teachers to their schools by offering a different set of incentives. Other charter schools need to offer hard-to-fill incentives in order to stay competitive with nearby schools.
- 3) Should a school offer or the law mandate these incentives, the State needs to provide the funding for these incentives as this cost is huge for charter schools. The department implements the "central salary" where incentive costs such as hard-to-fill are shared among all HIDOE schools. Charter schools operate on per pupil which will result in charter schools located in hard-to-fill areas paying a large part of their per pupil monies to support these incentives, e.g. by 2017 Kualapuu Elementary PCS will pay \$75,000.00 or double the amount they are paying now out of their per pupil allocation solely for their hard-to-fill positions.

Mahalo for your support of Hawaii's public school students and charter schools.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lynn Finnegan', with a long horizontal stroke extending to the right.

Lynn Finnegan
Executive Director



Ho`okāko`o
Corporation

Testimony to the
House of Representatives
Committee on Labor & Public Employment
Representative Mark Nakashima, Chair
Representative Kyle Yamashita, Vice Chair

Re: HB 1971 – Relating to Labor; Charter Schools; Employee Rights

Honorable Chair Mark Nakashima,

Mahalo for the opportunity to testify on HB 1971. The Ho`okāko`o Corporation (HC) 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 HB1971, but requests clarification of language in the bill to ensure "support" for charter school instructional employee benefits will be funded by the State legislature.

Ho`okāko`o has been a partner with the Hawaii Public Charter School Network, the Hawaii State Charter School Commission, DOE and BOE, in implementing Act 130 of the 2012 legislative session. Paramount to this work was the creation of a more accountable and favorable charter school system in the State of Hawai'i from which our students, families and employees benefit.

Ho`okāko`o generally supports the intent of HB 1971 which shall "afford administrative, support, and instructional employees in charter schools full participation in the State's systems for retirement, workers' compensation, unemployment insurance, temporary disability insurance, sick leave, vacation, leave sharing, and health benefits as well as additional support and incentives offered by the department including, but not limited to, hard-to-staff incentives, national board certification incentives, special education teacher incentives, bonuses for completion of probation, and teacher licensing fees, in accordance with the qualification requirements for each."

Ho`okāko`o has a proven track record of providing our instructional employees a number of supplemental benefits above and beyond traditional DOE contracts, including additional pay for working a longer instructional day; additional pay for superior performance and student achievement; and

additional pay for teacher leadership roles. Our teachers enjoy these benefits, and our students reap the rewards and self-satisfaction because they are demonstrating success in an increasingly competitive academic environment. These benefits have been funded and sustained from the generous private donations and federal funds secured by Ho`okāko`o, illustrating our organization's commitment to teaching excellence and a rich learning environment for our students.

We would like clarification about the intention of this bill, as to whether or not "support" for charter school instructional employee benefits would be funded by the State legislature. Ho`okāko`o would be very supportive of State funding for mandatory pay increases and leave, as described above, rather than negotiate this through our schools' supplemental agreement. Ho`okāko`o will continue to advocate and, to the extent possible, provide funding for the multitude of additional benefits that our instructional employees receive now and into the future.

We appreciate this opportunity to testify on behalf of this legislation which we hope strengthens our charter school system to best serve our diverse, and deserving, student populations.