

Date: 01/28/2014

Committee: House Labor & Public
Employment

Department: Education

Person Testifying: Kathryn S. Matayoshi, Superintendent of Education

Title of Bill: HB 1971 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 H.B. 1971. The Department currently transacts approximately 20,000 employees' employment transactions from 291 various schools and offices which includes 11 of the 34 Public Charter Schools (PCS) who purchase administrative services to assist with their PCS employees' salary and benefit services. The proposed legislation expands certain employee benefits and incentives to all PCS. However, the Department does not have the needed resources to administratively support and transact services and benefits for all PCS. Should additional administrative services be expected of the Department, then the Department should be provided with additional resources to administratively support PCS. Currently, 23 PCS do not purchase the Department's administrative, personnel, and payroll services. Therefore, the Department does not have any record of these employees 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 PCS would be required to purchase the Department's administrative, personnel, and payroll services.

NEIL ABERCROMBIE
GOVERNOR



TERRI FUJII
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 1971 Relating to Labor
DATE: Tuesday, January 28, 2014
TIME: 8:45 a.m.
COMMITTEE(S): House Committee on Labor & Public Employment
ROOM: Conference Room 309
FROM: Tom Hutton, Executive Director
State Public Charter School Commission

Chair Nakashima, Vice Chair Yamashita, 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. This measure 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.

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:** As these benefits already are funded by B&F to the extent they are paid out as part of regular payroll, we are uncertain of the reason for their inclusion in the bill.
- **Leave-sharing:** State agencies currently are allowed by HRS § 78-26 to offer 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 contract 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 would require resolving significant operational issues that may also entail some expense.
- **Hard-to-staff incentives:** These were not funded in the collective bargaining appropriation for the HSTA contract, and the six charter schools whose 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 gathering information on the number of teachers serving in charter schools who qualify for these incentives, which are statutorily provided for under HRS § 302A-706, and on how the funding for these incentives is provided.
- **Special education teacher incentives:** We are not sure what incentives are referred to here, as the DOE employs the special education teachers who serve in charter schools. We assume that the recruitment and retention incentives provided for under the HSTA master agreement already are provided and funded by the DOE. 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 a 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. Moreover, it is not clear how these incentives would apply to charter school teachers, who generally do not earn tenure.

- **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 required for this benefit may not correspond to those used by the charter schools' teacher evaluation systems, which are not the same as the DOE's.

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

1. If the intent of this measure is simply to clarify that the State will fund the benefits that are being added to the list in HRS §302D-26, the bill and the committee report should make this clear and the bill should be amended to include a blank appropriation for discussion purposes.
2. In order to respect the operational autonomy of the charter schools, the bill should be amended to stipulate that the State shall afford charter school employees these additional benefits, incentives, and supports in accordance not only with the requirements for each but also with the provisions of any master and supplemental agreements entered into pursuant to HRS § 302D-25. There may be operational as well as fiscal considerations for the schools in this clarification.
3. 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.



LATE

**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

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

Kualapu’u School—Generally Support HB1971, with clarification needed

Honorable Chair Mark Nakashima,

Mahalo for the opportunity to testify on HB 1971. 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.

Kualapu’u School 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 and Kualapu’u School 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.

Kualapu’u School 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.”

Kualapu’u School 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. 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.

Kualapu`u School has also followed the complied with DOE-HSTA Master Contract when it comes to teacher pay and salaries. Upon our conversion to our charter 2004, the school understood the importance to remain competitive with other DOE Schools in terms of salaries, incentives, and bonuses afforded their DOE teacher colleagues.

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. Kualapu`u School 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. Kualapu`u School 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.

Sincerely,



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



WAIMEA MIDDLE SCHOOL
67-1229 MAMALAHOA HIGHWAY * KAMUELA, HAWAII 96741
PHONE: (808) 887-6090 Ext. 225

LATE

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,

Thank you for allowing us to testify on HB 1971. Waimea Middle School, as a public conversion charter school, wishes to express support for HB 1971, but requests clarification of language in the bill to ensure “support” for charter school instructional employee benefits will be funded by the State legislature.

Waimea Middle School (WMS) operates in partnership with the Ho`okāko`o Corporation which serves as our non-profit and our local school board. It is our mission to prepare *all* students with the skills, values, and cultural understanding to successfully navigate high school and beyond. WMS is the home school for 285 sixth, seventh, and eighth grade students in the greater Waimea community on the Big Island. Although WMS is located in one of the richest zip codes in the United States, our poverty rate is quite high; 67% of our students qualify for federal free and reduced lunches.

WMS 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.”

In addition to providing additional flexibility with supplemental benefits to staff, WMS has also followed the DOE-HSTA Master Contract related to teacher pay and salaries. Upon our conversion to our charter 2002, the school understood the importance of remaining competitive in order to attract the highest quality teachers to support our students. To date, these additional benefits and salaries have all been funded and sustained through generous private donations and other federal funds secured by the school and Ho`okāko`o, in partnership.

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. WMS 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.

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.

Sincerely,

A handwritten signature in blue ink that reads "Matt Horne".

Matt Horne, Principal



LATE

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 LABOR & PUBLIC EMPLOYMENT

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 - RELATING TO LABOR

PERSON TESTIFYING: WIL OKABE
HAWAII STATE TEACHERS ASSOCIATION

The Honorable Chair Mark Nakashima, The Honorable Vice-Chair Kyle Yamashita and the Members of the Committee:

The Hawaii State Teachers Association (HSTA) **strongly supports H.B. 1971**. 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 school 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 teachers earning less than the HSTA salary schedule.

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

yamashita1

From: mailinglist@capitol.hawaii.gov
Sent: Friday, January 24, 2014 12:37 PM
To: LABtestimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for HB1971 on Jan 28, 2014 08:45AM*

HB1971

Submitted on: 1/24/2014

Testimony for LAB on Jan 28, 2014 08:45AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	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.

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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.

yamashita1

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, January 28, 2014 8:32 AM
To: LABtestimony
Cc: lynn@hawaiiarterschools.com
Subject: Submitted testimony for HB1971 on Jan 28, 2014 08:45AM

HB1971

Submitted on: 1/28/2014

Testimony for LAB on Jan 28, 2014 08:45AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
lynn finnegan	Hawaii Public Charter Schools Network	Comments Only	Yes

Comments: No position at this time.

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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