



STATE OF HAWAII
BOARD OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

Senate Committee on Ways and Means
Senator Michael Y. Ige, Chairperson
Senator Michelle N. Kidani, Vice Chairperson

Thursday, February 21, 2013
9:00 a.m.
Hawai'i State Capitol, Room 211

Testimony of Don G. Horner, Chairperson

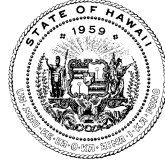
Testimony in SUPPORT of SB 244 SD1, Relating to Education

Thank you for the opportunity to submit testimony. The Board of Education SUPPORTS SB 244 SD1 but would like to express concern over the 5% carryover provision because we want to ensure that charter schools have sufficient funding to operate effectively.

The purpose of Act 130 (2012) is to establish a solid governance structure for Hawaii's charter school system with clear lines of authority and accountability that will foster improved student outcomes. The law is guided by the hallmarks of a high-quality charter school system which include high expectations, increased flexibility and autonomy, and meaningful accountability. We believe that SB 244 SD1 furthers these goals.

Please know that the Board understands the constraints of the Hawaii State Constitution provision, Article VII, Section 11, entitled "Lapsing of Appropriations." We do, however, want to remain cognizant, as we ask schools through this newly enacted law to improve accountability and student performance, that it is incumbent upon us to take a closer look at what schools ultimately need to be successful.

Thank you for the opportunity to provide testimony in support of SB 244 SD1.



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

P O Box 260
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Testimony to the Senate Committee on Ways and Means

Senator David Ige, Chair

Senator Michelle Kidani, Vice Chair

Re: SB 244 – Relating to Education

Honorable Chair Ige, Vice Chair Kidani and members of the Senate Ways and Means Committee,

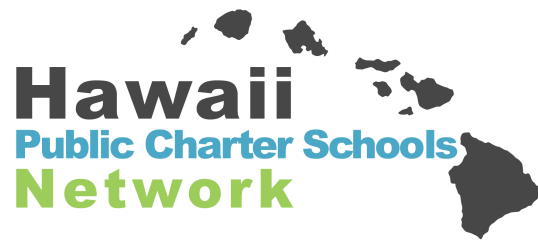
Re: SB244 – Support with reservation

Mahalo for the opportunity to testify on SB244.

- While Kualapu'u School is in general support of these changes, we would like to testify that **Charter schools have unlimited capacity to have carryover state funds.** As a former DOE principal who operated under the 5% carryover restriction, I was unable to fully use funds strategically for long term planning for student achievement. In the current unrestricted carryover environment, I am now able to use state funds more strategically, plan for phasing in long-term projects, and make better use of state funds for impact. Under DOE, I used to spend money just to spend money, the “use or lose” mentality.
- Finally, as the DOE is a very large department, charter schools are individual schools without the capacity of a large department to support them. **The ability to have unlimited carry-over of state funds will allow smaller, independent charter schools to strategically use funds for more impact. This encourages savings and long-term planning.**

Sincerely,

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



LATE

Hawaii State Senate
Committee on Ways and Means

DATE: Thursday, February 21, 2013
TIME: 9:00 a.m.
PLACE: Conference Room 211, Hawaii State Capitol

Chair Ige, Vice Chair Kidani and members of the Committee on Ways and Means,

Re: SB244 SD1 – Comments in Support

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 in partnership with our member schools, Commission, CSAO, BOE and NACSA, have been hard at work implementing Act 130 of the 2012 legislative session. This has been no easy feat, but certainly an opportunity to put into place fair and consistent "rules of the game" for oversight, monitoring and governance.

Charter schools; carryover of funds

The Bilateral Contracts between the charters and the State Public Charter School Commission (PCSC) are currently being negotiated and this language may not allow schools to reach a few of the proposed Financial Performance Framework's "meets standards" indicators for the contract. These indicators were drafted with the intent to measure a school's financial health and stability. This 5% carryover restriction will make it extremely difficult to achieve these standards and more importantly achieve financial health and stability for our independent public charter schools.

The essence of a charter school is to allow for maximum flexibility and decision making of a charter school's governing board to plan, budget and spend. This language will make it difficult for schools to plan for needs such as a change in location of the school or other large cost items by saving for them in advance.

There is also a concern that the 5% may not allow a school to meet its monthly obligations, including payroll, between the end of the fiscal year and before the school receives its first per pupil allocation in the following fiscal year. One month or 1/12 of a school's budget equals 8%.

302D-A Annual audit

Charter schools currently conduct annual independent financial audits. HPCSN understands the importance of a financial audit. Financial audits can run \$10-15k per year, a sizable cost for schools. The previous authorizer, the Charter School Review Panel, had discussed ways to help ease the financial burden of schools that consistently performed well on their audits. Please consider language that would permit the Commission to allow a school, under certain circumstances, to do a less costly financial review every other year, two or three years instead of an audit.

Facilities Support

HPCSN strongly supports and appreciates the facilities support language that is included in this draft of the bill.

In conclusion, the Hawaii public charter sector is going through a major transition and for the most part our schools are making every effort to engage and make this an opportunity for, instead of a detriment to, our charter schools. HPCSN applauds these efforts. As we continue this tedious and time-consuming work, on behalf of charter schools, we appreciate the efforts that are being made to improve Hawaii's charter school law.

Thank you for your support of Hawaii's public charter schools.

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

Lynn Finnegan
Executive Director

LATE



Ho'okāko'o Corporation

Testimony to the Senate Committee on Ways and Means
Senator David Ige, Chair
Senator Michelle Kidani, Vice Chair
Re: SB 244 – Relating to Education

Honorable Chair Ige, Vice Chair Kidani and members of the Senate Ways and Means Committee,

Re: SB244 SD1 – Support with reservations

Mahalo for the opportunity to testify on SB244. The Ho'okāko'o Corporation (HC) is committed to excellence in public education through our work with conversion charter schools, which educate nearly 2,000 students in grades Pre-Kindergarten through 12. Ho'okāko'o has been a partner with HCPSN, the State Commission and BOE, in implementing Act 130 of the 2012 legislative session. We appreciate Chair Tokuda's tireless efforts on behalf of our public school children to raise the bar for high quality public charter education and advocate for a charter school system that is predicated on governing board and school leader accountability for student performance.

Ho'okāko'o feels that these changes closely align and, indeed, validate the work of our organization. HC provides oversight, governance and performance monitoring of its three conversion charter schools to increase standards for academic excellence, operational viability and financial responsibility. We feel that most of the proposed measures in this bill will assist us in meeting our own targets for school and student performance.

While we testify in general support of these changes, we have the following concerns:

- We recommend an amendment that charter schools have unlimited capacity to carryover state funds. The public charter schools operate on less than half of the State per-pupil allocation afforded to DOE schools, which is below the national trend for charter school per pupil funding. Public charter schools have been challenged to operate on sub-standard funding levels while sustaining operations by fostering partnerships with private entities and raising private funding to sustain operations and eventually meet the requirements of the bilateral contract between charter school governing boards and the State Public Charter School Commission. The unrestricted carryover of state funding, combined with charter school governing boards' strategic fundraising efforts to include additional federal and private funds, will allow charter schools to use this funding more strategically with a view to sustaining important school improvement initiatives.
- We recommend clarification and/or amendments Sections 302D-C and 302D-21 which, at the present time, threaten to compromise the sustainability of our school's Junior Kindergarten and Kindergarten programs (or, non-compulsory education). Early childhood education, as evidenced widely in educational and neuroscientific research, is the key to promoting greater student achievement levels in elementary and secondary education, and higher education. We respectfully

recommend removing language that restricts per-pupil funding to students in compulsory education.

- We would like the role of governing boards of charter schools to be more clearly articulated, including their role in having primary oversight of the public charter schools' compliance with respect to federal and state laws and regulations. The governing board shall also have the primary responsibility of setting education policy and, when appropriate, negotiating amendments to these policies as long as they meet the minimum standards as captured in the BOE and DOE's policies. The governing boards' accountability, in turn, lies with the Hawaii Charter School Commission, whose accountability is to the Board of Education.

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.

Megan McCorriston
Executive Director



From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: hanahi@gmail.com
Subject: Submitted testimony for SB244 on Feb 21, 2013 09:00AM
Date: Wednesday, February 20, 2013 11:20:01 AM

SB244

Submitted on: 2/20/2013

Testimony for WAM on Feb 21, 2013 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Paula Satterthwaite	Individual	Support	No

Comments: I hope you will pass this bill. Charter Schools are at a disadvantage in funding because they must pay for facilities and utilities, which is difficult when per pupil allotment must go towards this, unlike DOE schools.

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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