

HB1971

HD2 SD1

LATE

TESTIMONY

NEIL ABERCROMBIE
GOVERNOR



CATHERINE PAYNE
CHAIRPERSON

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

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FOR: HB1971 HD2 SD1 Relating to Labor
DATE: Tuesday, April 1, 2014
TIME: 10:00 a.m.
COMMITTEE: Senate Committee on Judiciary and Labor
Senate Committee on Ways and Means
ROOM: Conference Room 211
FROM: Tom Hutton, Executive Director
State Public Charter School Commission

Testimony in support

Chairs Hee and Ige, Vice Chairs Shimabukuro and Kidani, and members of the Committees:

The State Public Charter School Commission appreciates the opportunity to offer this testimony in support of House Bill 1971 HD2, 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 master collective bargaining agreements, in accordance with the qualification requirements for each benefit and subject to the relevant provisions of any supplemental collective bargaining agreements entered into between the charter school and its employees. It also would require the DOE and the Commission to identify all such employee incentives and bonuses.

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 to the DOE and the Commission. Our estimate for Commission expenses related to compatibility of human resources software platform would be a one-time expense of \$25,000.
- **Hard-to-staff incentives:** These were not funded in the collective bargaining appropriation for the HSTA contract, and the eight charter schools whose faculties would qualify for these incentives would be hard-pressed to provide them without the funding. We estimate the necessary appropriation for this benefit at \$316,500 in each of FY 2014 and 2015, increasing to \$633,000 in FY 2016 assuming the same number of teachers. The Commission would propose to allocate the appropriated funding on a school-specific basis to those schools that actually pay the incentives, rather than across the board to all charter schools as part of the charter school per-pupil funding formula under HRS § 302D-28.
- **National Board certification incentives:** At this point the Commission is aware of six teachers serving in charter schools who qualify for these incentives, which are statutorily provided for under HRS § 302A-706, rather than via collective bargaining. Two of these teachers serve in hard-to-staff charter schools, which entitles them to an additional \$5,000 per year. We estimate the appropriation for this benefit would amount to about \$100,000 per year. The Commission would propose to allocated this funding, too, on a school-specific basis to those schools that actually pay the

incentives, rather than across the board to all charter schools as part of the charter school per-pupil funding formula under HRS § 302D-28.

- **Special education teacher incentives:** We are not sure what incentives are referred to here, as the DOE generally employs and compensates the special education teachers who serve in charter schools. We assume that the recruitment and retention incentives provided for under the HSTA master agreement must be provided and funded by the DOE.
- **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. Many charter schools do not provide tenure to their teachers, although some of these schools have indicated that they may nonetheless pay these bonuses. Based on the number of charter teachers annually who would be entering their seventh semester as teachers and thus would be entitled to a bonus for completing probation if such a bonus were in fact offered by the school, the annual cost would be \$122,500.
- **Teacher licensing fees:** Payment of teacher licensing fees for tenured teachers is not effective until the 2014-2015 school year. Again, most charter school teachers are not tenured, and the DOE teacher evaluation ratings required to qualify for this benefit may not correspond to those used by the charter schools' individual teacher evaluation systems, which are not the same as the DOE's. Based on the number of charter teachers annually who would have taught for at least six semesters at the charter school and whose teacher licenses would come due and be paid by the school if this benefit were in fact offered by the school, the annual cost would be \$106,750.

The Commission gratefully acknowledges the fact that the bill stipulates that the State shall afford charter school employees these additional benefits, incentives, and supports in accordance not only with the requirements for each such benefit but also in accordance with the provisions of any supplemental collective bargaining agreements entered into pursuant to HRS § 302D-25. This language would preserve the discretion of charter schools and their employees to negotiate compensation packages that differ from those under the master agreements, while hopefully ensuring that the necessary state funding is provided if in fact the school and its employees adhere to those master agreements.

The Commission respectfully requests that the Committee amend the bill to enumerate, for planning purposes, the specific and finite list of benefits, supports, and incentives that the State shall afford to charter school employees. The current open-ended "including but not limited to" language could result in unpredictable costs to the State, unfunded mandates on charter schools, and unintended encroachments on charter school autonomy. This revision would first afford the DOE and the Commission the opportunity to identify any additional items as the bill now contemplates. A Section 1 of the bill revised as follows would accomplish this purpose:

SECTION 1. Section 302D-26, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) The State 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 hard-to-staff incentives, national board certification incentives, special education teacher incentives, bonuses for completion of probation, and teacher licensing fees offered by the department to its own employees, in accordance with the qualification requirements for each[.] and with the provisions of any supplemental agreements entered into pursuant to section 302D-25."

Thank you for the opportunity to provide this testimony.

From: mailinglist@capitol.hawaii.gov
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Cc: rstewart99489@hawaii.rr.com
Subject: Submitted testimony for HB1971 on Apr 1, 2014 10:00AM
Date: Monday, March 31, 2014 10:38:36 AM

HB1971

Submitted on: 3/31/2014

Testimony for JDL/WAM on Apr 1, 2014 10:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Roxane Stewart	Hawai'i State Teacher's Association	Support	No

Comments: I am a charter school teacher who has been teaching in charter schools for the past nine years after receiving tenure in the regular DOE school system. I have worked in both systems and have experienced first-hand the confusion in terms of what supports the DOE provides for charter schools as well as the overall inequality between the charter and DOE schools. We serve the same Hawai'i students, just in different educational settings and we are held to the same state and federal educational standards. There should be no difference in the supports that teachers receive from the DOE. This bill is an important first step in remedying this inequity and I encourage the addition of specific means and timelines by which these supports will be implemented as well as a means of oversight so the legislature can truly see that the DOE is following through on this mandate, if passed. Often, we will receive memos, etc. from the superintendent's office regarding supports and services that the DOE SHOULD be providing to charter schools, but we rarely see the directives com to fruition.

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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