

SB2518

Charter Schools;
Housekeeping
EDU, WAM

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON EDUCATION
ON
SENATE BILL NO. 2518

February 3, 2014

RELATING TO EDUCATION

Senate Bill No. 2518 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.

NEIL ABERCROMBIE
GOVERNOR



CATHERINE PAYNE
INTERIM CHAIRPERSON

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

<http://CharterCommission.Hawaii.Gov>
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Tel: 586-3775 Fax: 586-3776

FOR: SB 2518, Relating to Education
DATE: Monday, February 3, 2014
TIME: 1:15 p.m.
COMMITTEE(S): Senate Committee on Education
ROOM: Conference Room 414
FROM: Tom Hutton, Executive Director
State Public Charter School Commission

Testimony in support

Chair Tokuda, Vice Chair Kidani, and members of the Committee:

The State Public Charter School 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. We thank the Chair for her sponsorship of the bill.

Among other changes, this bill would:

- Authorize the Commission to assess fees to help cover its operation costs—the Commission is advised that it already has the authority to assess fees to charter schools as “internal management” not subject to Chapter 91 rulemaking, but at any rate the intent of the provision is not to charge fees to schools at all but to private entities, including application fees assessed on new charter school applicants.
- 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

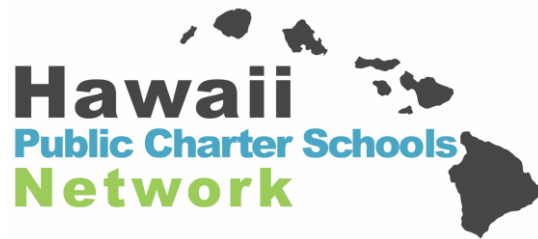
with two percent of the per pupil funds appropriated for schools, but at the end of the 2013 legislative session the Commission's budget was unexpectedly deducted from of the schools' funding.

- Strengthen certain provisions relating to potential conflicts 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.
- 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.

The Commission respectfully requests that the Committee consider several minor, technical revisions to the bill that we have provided to the Committee staff. These include (1) a clarification that the granting of authority to the Commission to assess fees, subject to rulemaking, is specific to non-State entities, and (2) changing the bill's effective date from upon approval to July 1, 2014, the start of the academic and fiscal year for charter schools.

In addition, we are currently discussing with the Hawaii Public Charter Schools Network some concerns it has with the proposed revision the bill makes to HRS § 302D-16, the section of the statute addressing charter school performance frameworks. We may be able to make a recommendation to respond to these concerns in time for this Committee's consideration.

Thank you for the opportunity to provide this testimony.



Hawaii State Senate
Committee on Education

DATE: Monday, February 3, 2014

TIME: 1:15 p.m.

PLACE: Conference Room 414, Hawaii State Capitol

Chair Tokuda, Vice Chair Kidani and members of the Senate Education Committee,

Re: SB2518 – Support

Mahalo for the opportunity to testify on SB2518 Relating to Education. 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 a variety of changes to 302D, the charter school statute. HPCSN currently gathering information and feedback from charter schools and have two comments for your consideration at this time.

- 1) **STRONG SUPPORT of Section 4, Page 6, Line 17** - Funds the 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 in that charter schools are accountable to their governing boards. The Governance, Accountability and Authority Legislative Task Force of 2011 anticipated, at that time, additional costs that would be associated with their proposal for sweeping changes to the charter school law. The addition of this section will provide the funding needed to assist schools with the many added responsibilities and obligations charter schools are now subject to since the passing of Act 130 of 2012.

- 2) **Reservations for Section 10, Page 30, Lines 2-3 and 19-22** – Removes “annual performance targets set by each public charter school in conjunction with its authorizer...”

The language being removed specifically addresses, and preserves the idea of, charter school negotiation within the bilateral contract. The Commission is currently undergoing the process to create the Academic Performance Framework and is encouraging charter schools to participate.

We embrace the current language and request it not be deleted as it is similar in purpose to Annual Measureable Objectives (AMO) that are set for department schools within StriveHI.

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 Senate
Committee on Education

Senator Jill N. Tokuda, Chair
Senator Michelle N. Kidani, Vice Chair

**Testimony In Support of SB 2518
Relating to Education**

Honorable Chair Jill Tokuda,

Mahalo for the opportunity to testify on SB 2518. 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 SB 2518.

Hawaii's charter schools have accepted 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 its students an educational experience and learning environment beyond what district schools are providing. But, as a charter school community, we are asked to build quality public schools with fewer dollars per pupil than non-charter schools receive.

While efforts continue to achieve greater parity in per-pupil allocations, it is increasingly important that our school 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 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 SB 2518.

Mahalo,

Megan McCorriston, Executive Director
Ho'okāko'o Corporation

SB2518

Submitted on: 1/29/2014

Testimony for EDU on Feb 3, 2014 13:15PM in Conference Room 414

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

Comments: I oppose fees....

Submitted By	Organization	Testifier Position	Present at Hearing
Juanita Kawamoto Brown	Individual	Support	No