

DAVID IGE  
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CATHERINE PAYNE  
CHAIRPERSON

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

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FOR: HB 232 Relating to Facilities Funding for Charter Schools  
DATE: Monday, February 9, 2015  
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

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

The State Public Charter School Commission (“Commission”) appreciates the opportunity to submit this testimony in support of House Bill 49, “Relating to Education,” House Bill 232, “Relating to Facilities Funding for Charter Schools,” House Bill 233, “Relating to Charter Schools,” and House Bill 1251, “Relating to Public Charter Schools,” each of which would provide much needed facilities support for charter schools.

The need to address facilities costs for start-up charter schools is arguably the greatest unaddressed challenge for Hawaii’s chartering system. Currently, start-up charter schools must pay for the costs of their facilities from out of their already stretched operational funds.

We note that, as in past years, the Commission this year submitted proposed Capital Improvement Projects (“CIP”) as submitted from charter schools. The Commission has been instructed that eligibility for these requests is limited to start-up charter schools located on state land. These projects are not recommended for approval in the executive budget. If charter school CIP projects are not to be considered, in the Commission’s view it is all the more important that other means of providing at least some support for the charter schools’ facilities needs be considered.

House Bills 49, 232, and 233 are proposals reintroduced from the 2014 Legislative Session that would provide to support charter school facilities needs. HB 49 would establish a charter school facilities fund and a state income tax credit for taxpayers who make contributions to the

development of charter school facilities, and authorize the use of funds not only to fund projects but also to secure loans from private lending institutions for financially stable charter schools.

HB 232 would simply make a general fund appropriation for charter school facilities needs, based in part on charter school need and performance. HB 233 would authorize the Commission to request the issuance of general obligation bonds from the Director of Finance and establish a charter school facilities funding working group, including the Director of Finance and the Chairs of the Senate Committee on Ways and Means and the House Committee on Finance, to determine criteria for and to prioritize the allocation of funds to the schools. We believe these proposals, which result from discussions of the informal interagency working group on charter school funding convened by then Senate Committee on Education Chair and current Senate Committee on Ways and Means Chair Jill Tokuda after the 2013 Legislative Session, merit the Legislature's continued consideration.

HB 1251, a new proposal introduced this Session on behalf of the Hawaii Public Charter Schools Network, combines several components of these other measures and also merits the Legislature's consideration. Among other things, this bill would establish a charter school facilities funding working group similar to that contemplated by HB 233 but instead have the Commission determine criteria for and prioritize the allocation of funds; would authorize the issuance of general obligation bonds; would appropriate general funds for charter school facilities design, planning, construction, repair, and maintenance; and would require state departments to identify unused properties that may be suitable for use by a charter school or a pre-plus program.

This past Friday, the Department of the Attorney General noted several legal concerns with respect to certain provisions that are included in HB 233 and HB 1251. The Commission is prepared to work with the Department and the Committee to address these concerns so that these measures can advance.

Finally, the Commission acknowledges the State's fiscal challenges. Nevertheless, we remain hopeful that among the various proposals currently in motion in the Legislature, a way can finally be found to make a start in addressing this longstanding problem.

Thank you for the opportunity to provide this testimony.



**HB232**  
**RELATING TO FACILITIES FUNDING FOR CHARTER SCHOOLS**  
House Committee on Education

February 9, 2015

2:00 p.m.

Room 309

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The Administration of the Office of Hawaiian Affairs (OHA) will recommend to the Board of Trustees a position of **SUPPORT** for HB232, which seeks to alleviate the unique financial burdens borne by start-up public charter schools, in meeting their basic facilities needs.

Meeting start-up charter schools' facilities needs is arguably the single greatest unaddressed challenge for Hawai'i's public charter schools. Currently, start-up charter schools must pay for the costs of their facilities using their already-stretched operational funds. This is a cost that is not borne by conversion charter schools, or schools under the Hawai'i State Department of Education. In recognition of this unique and significant challenge, the Legislature passed Act 159 (Reg. Sess. 2013), authorizing the State Public Charter School Commission to request facilities funding as part of its annual budget request to the director of finance beginning in the 2014-2015 fiscal year.

HB232 advances the purpose of Act 159, by requesting appropriations for public charter school facilities funding. This measure will help bring parity to start-up charter schools, and address the longstanding problem of financing start-up charter schools' facilities.

Therefore, OHA urges the Committee to **PASS** HB232.

Mahalo nui for the opportunity to testify on this measure.



KAMEHAMEHA SCHOOLS®

TO: Honorable Roy Takumi, Chair  
Honorable Takashi Ohno, Vice Chair  
Members of the Committee on Education

DATE: February 9, 2015  
TIME: 2:00 p.m.  
PLACE: Conference Room 309  
Hawai'i State Capitol

FROM: Kamehameha Schools

RE: HOUSE BILL 232, RELATING TO FACILITIES FUNDING FOR CHARTER SCHOOLS

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

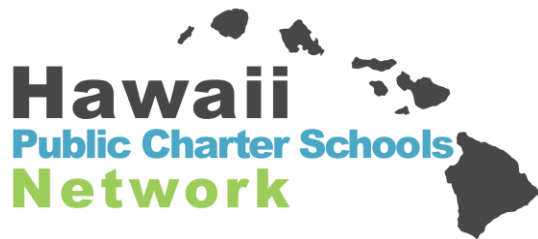
Thank you for this opportunity to testify in support of HB 232, relating to facilities funding for charter schools.

Kamehameha Schools offers comments in support of appropriating funds for the state public charter school commission to allocate to charter schools for facilities projects and requiring an annual report to the legislature.

Kamehameha Schools supports promoting the achievement and success of Hawai'i's public school students and, as such, has been a collaborator with the Hawai'i public charter schools for over a decade. Through our work with public charter schools, we hope to significantly impact more children and their families through education. We believe charter schools provide positive choices for education and ultimately enhance both achievement and engagement for students across Hawai'i.

Financial support for the charter school system is crucial in maintaining the services these schools provide. We ask that you help to provide our state's most innovative educators with the strong support and stable foundation they need continue their positive growth. We believe efforts to improve the public charter school system improve access to education and, ultimately, enhance education for all of Hawai'i's children.

Thank you for the opportunity to testify on this measure.



Hawaii State House of Representatives  
Committee on Education

DATE: Monday, February 9, 2015

TIME: 2:00 p.m.

PLACE: Conference Room 309, Hawaii State Capitol

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

Re: HB 232 – RELATING TO FACILITIES FUNDING FOR CHARTER SCHOOLS

Mahalo for the opportunity to testify **in support** of HB 232, a bill that appropriates funds for the state public charter school commission to allocate to charter schools for facilities projects.

In 2005 the Legislative Reference Bureau in its report entitled, *On the Level? Policy, Law and the Charter School Movement* stated, "Unlike their public school, conversion school, and school-within-school counterparts, start-up schools must rent or build facilities, or ask the public to donate facilities, or both. The cost of building public schools is usually spread out over twenty years through the issuance of general obligation bonds. Neither the BOE, the HIDOE, nor individual public schools, are responsible for debt service—or the payment of principal and interest on these bonds. These bonds are the responsibility of the State, and are backed by it's the full faith and credit (i.e., taxing power)." Some charter schools have facilities on state land and have access through the normal CIP process - others do not (see attachment).

In order to help provide relief to charter schools that are either not on state land or paying rent for school facilities with the per pupil allocation they receive from the State, HPCSN requests making an amendment to this bill that would allow funding to also go to other facilities related expenses such as rents or leases.

Hawaii Public Charter Schools Network (HPCSN) represents 30 of 34 public charter schools in Hawaii and is committed to quality education for all public school students in Hawaii through our support of, and work with, Hawaii's public charter schools.

Thank you for your attention to and consideration of this very important matter to charter schools. Your support of Hawaii's public students is greatly appreciated.

Mahalo Nui Loa,

A handwritten signature in black ink, appearing to read "Lynn Finnegan".

Lynn Finnegan  
Executive Director

Attachment

## Charter Schools Facilities Bills

			GO Bond	General Funds
On state land	Lease	Kawaikini, Kekaha+, Kanuikapono, Halau Ku Mana, ULS, Hakipuu, Ka Waihona,	P	A
	USDA loan	Kamakau, WHEA+, Kanu o ka Aina, Volcano ~+	P	A
	Conversions	Kualapuu, Lanikai^, Waialae^, Kamaile, Waimea Middle^, Lapahoehoe	P	A
Not on state land	Lease	Kihei, KANAKA, MBTA, HTA, Voyager, Halau Lokahi, Connections+, Na Wai Ola, <a href="#">Kua o ka La</a> , HAAS, SEEQS, Malama Honua		P
	USDA loan	Kona Pacific, Innovations.		P
Facilities are on both on state land and not on state land		Nawahi	A	P
Checking status		<a href="#">Ka Umeke, Laahana</a>		A

Note: Leases could be held by non-profit, school enters lease with non-profit

[Blue](#) = Checking/verifying with schools

P = Priority

A = Applies

+ Received GIA

^ Received CIP and/or upgrades through the DOE system

~ USDA in process

**HB232**

Submitted on: 2/7/2015

Testimony for EDN on Feb 9, 2015 14:00PM in Conference Room 309

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Nancy Redfeather	Hawaii Island School Garden Network	Support	No

Comments: Facilities funding is essential if we want our Charter Schools to remain a viable and growing pathway to education for Hawaii's keiki. Parity in facilities funding with DOE is imperative.



HB 232 RELATING TO FACILITIES FUNDING FOR CHARTER SCHOOLS

COMMITTEE ON EDUCATION

Monday, February 9, 2015;

Chair Takumi, Vice Chair Ohno and members of the committee, thank you for the opportunity to provide testimony in support of HB 232 relating to facilities funding for charter schools.

My name is Michelle Kauhane, President & CEO at the Council for Native Hawaiian Advancement (CNHA). Founded in 2001, CNHA is a Native Hawaii non-profit membership organization with more than 150 voting members. CNHA's mission is to enhance the well being of Hawaii through the cultural, economic and community development of Native Hawaiians. CNHA offers strong support for facilities funding for Hawaii's Charter Schools with over 30% of our membership made up of educators that include Native Hawaiian Charter Schools.

In 2013, at our annual policy roundtable, a priority was brought forward and adopted by the Council's policy center to support parity for Hawaii's Charter Schools. Specific reference was made to the lack of facilities funding provided by the Hawaii state legislature with no CIP allocations made to Hawaii charter schools. In 2014, CNHA's policy center hosted a roundtable for charter school leaders and educators throughout Hawaii to meet with Secretary Arne Duncan of the US Department of Education. Again, the need for charter schools facilities funding and providing sufficient operational funds were two of the primary issues discussed with the US DOE Secretary.

The need to address facilities funding for our charter schools demands the immediate attention of the Hawaii state legislature. It is simply unrealistic for these schools to be expected to cover the cost of their facilities development from their already stretched operational budgets. For years, several charters have been educating their students in tents and make shift classrooms. We must do better for our children and provide these schools with funding for facilities.

Charter schools have done an excellent job in reaching children throughout Hawaii who were falling through the cracks within the State DOE. Charter Schools offer an alternative learning environment with hands on approaches that result in success for a broad range of students. Charter schools need the security of a safe and stable learning environment for their students to thrive and CNHA supports this measure.

Thank you.



**LATE**

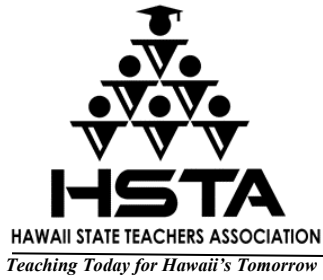
**HB232**

Submitted on: 2/9/2015

Testimony for EDN on Feb 9, 2015 14:00PM in Conference Room 309

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Curtis Muraoka	Individual	Support	No

Comments: Aloha Chair Takumi, Vice-Chair Ohno, and Esteemed Members of the House Committee on Education: The Hawaii Public Charter School Commission's facilities pilot was developed over an extended period of deep discussion, careful consideration, collaboration and public discourse. As a result, HPCSC has gained experience in thinking through what disbursement of facilities funding can and should look like. Turning the corner on the facilities funding issue will be a boon to your most high performing and innovative public charter schools, and support fulfillment of the "charter school promise," which is to promote choice and encourage positive change, and develop and share best practices, in exchange for adequate and equitable funding. Mahalo nui loa for hearing this bill. Curtis Muraoka, Co-Director West Hawaii Explorations Academy



**LATE**

**LATE**

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TESTIMONY BEFORE THE HOUSE  
COMMITTEE ON EDUCATION

Wil Okabe  
President  
Joan Kamila Lewis  
Vice President  
Colleen Pasco  
Secretary-Treasurer  
Wilbert Holck  
Executive Director

DATE: MONDAY, FEBRUARY 9, 2015

RE: H.B. 232 - RELATING TO CHARTER SCHOOLS

PERSON TESTIFYING: WIL OKABE  
HAWAII STATE TEACHERS ASSOCIATION

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

The Hawaii State Teachers Association (HSTA) **supports H.B. 232**, relating to charter schools.

HSTA is the exclusive representative of more than 13,500 public and charter school teachers statewide. HSTA is the state affiliate, of the 3.2 million members of the National Education Association.

Over 20 years ago, the state of Hawai'i committed itself to embracing the educational innovations made possible outside of the Department of Education by enacting public charter school legislation.

Since then, the state has further committed itself by enacting legislation to expand our public charter school system.

The legislation before you provides our public charter school system the assistance needed to be the best it can be. HSTA supports innovation in public education. The core assumptions that inform the charter school concepts - innovation, autonomy, and accountability - indicate that charter schools have the potential to facilitate positive change and should be qualitatively different from what is available in mainstream public schools.

As such, on behalf of Hawai'i's 13,500 public and public charter school teachers, the Hawai'i State Teachers' Association stands in **support of H.B. 232**.