

HB2453 HD1

Measure Title: RELATING TO CHARTER SCHOOLS.

Report Title: State Public Charter School Commission; New Charter Schools; Start-Up Grants; Appropriation (\$)

Description: Appropriates moneys for start-up grants for newly approved, pre-opening, public charter schools. (HB2453 HD1)

Companion: [SB2977](#)

Package: None

Current Referral: EDU, WAM

Introducer(s): TAKUMI, LOPRESTI

DAVID Y. IGE
GOVERNOR



CATHERINE PAYNE
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: (808) 586-3775 Fax: (808) 586-3776

FOR: HB 2453 HD1 Relating to Charter Schools
DATE: Monday, March 14, 2016
TIME: 1:25 PM
COMMITTEE(S): Senate Committee on Education
ROOM: Conference Room 229
FROM: Yvonne Lau, Interim Executive Director
State Public Charter School Commission

Testimony in support of HB 2453 HD1

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

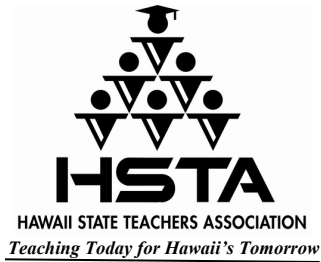
The State Public Charter School Commission appreciates the opportunity to submit this testimony in strong support of House Bill 2453 House Draft 1, which would appropriate unspecified funds to make start-up grants available to pre-opening charter schools that would be priority system needs identified by the Commission.

In its current Request for Proposals for new charter schools, the Commission has particularly welcomed applications to create schools that would provide additional enrollment capacity in geographic areas where existing department of education schools are already exceeding, have already reached, or are projected to reach or exceed, full enrollment capacity; or that would serve communities where existing public schools are not performing well under state academic measures. While welcoming such proposals, the Commission has not lowered its rigorous approval bar for these applications.

The targeted availability of grants for start-up schools would add a significant incentive for these especially desirable applications and could provide important support to some newly created, pre-opening schools in their start-up year before they become fully operational and are able to draw per-pupil and other state funding. For a time before the Commission’s creation start-up grants were made available to newly approved pre-opening schools. Hawaii is not

currently in a position to avail itself of federal grants that have been created for this important purpose, although that is something the Commission hopes to pursue in the future.

Thank you for the opportunity to provide this testimony.



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Corey Rosenlee
President
Justin Hughey
Vice President
Amy Perruso
Secretary-Treasurer
Wilbert Holck
Executive Director

TESTIMONY BEFORE THE HOUSE COMMITTEE ON
EDUCATION

RE: HB 2453, HD1 - RELATING TO CHARTER SCHOOLS.

MONDAY, MARCH 14, 2016

COREY ROSENLEE, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

Chair Kidani and Members of the Committee:

The Hawaii State Teachers Association **opposes HB 2453, HD1**, relating to charter schools.

Hawaii's public schools are besieged by overcrowding and declining infrastructure. Our state's school facilities are, on average, over 65-years-old. Yet, at Campbell High School, enrollment stands at 3,049 students, up 15 percent from 2010 and roughly 1,000 more students than in 2005. Campbell was built to serve 1,700 students, meaning that it is operating at 80 percent overcapacity.

Campbell is not the only school facing overcrowding. Numerous schools throughout the state crowd keiki into crumbling buildings, creating classroom experiences that inhibit learning and impede safety. Nonetheless, providing \$200,000 in seed money for charter schools is not and should not be the solution to overcrowded classrooms.

While we appreciate this bill's attempt to ease school congestion, we note that it would divert resources from traditional public schools. Charter schools and traditional departmental schools do not follow the same educational paradigm. Charter schools are public schools of choice, in which enrollment is opted into by the families of students. Moreover, despite accountability requirements, charter schools are freed from many of the regulations governing traditional public schools.

Late last year, the State Auditor criticized the Hawaii State Public Charter School Commission for inadequate monitoring of charter school finances and compliance with state regulations, saying "the commission staff's inconsistent enforcement of

some but not all compliance requirements does not fulfill the commission's statutory responsibilities." To cite just a few of the problems noted by the State Auditor, Ka Waihona Public Charter School obtained a \$300,000 line of bank credit "without proper authority" and "for purposes not allowable by law," Hawaii Technology Academy is encumbered by \$1.1 million of debt stemming from a contract it signed with the profitmaking online education company K12 Classroom LLC, and declining enrollment at several charter schools has impacted long-term financial sustainability.

While these findings should not be interpreted as an indictment of all charter schools, they evince the type of problems that occur when public education is increasingly privatized. Charter schools are *de facto* government entities, but are privately managed. Therefore, using charter schools as a means to address overcrowding and infrastructure problems not only diverts funds from the repair, maintenance, and capital improvement of public schools, but also advances the process of privatizing public education. Teachers do not support the privatization of their profession, but believe it to be an affront on our nation's penultimate common good against which we must constantly defend.

Overcrowding must be solved by increasing funding for public schools. We urge you to pass legislation that generates revenue for public schools, including capital improvement projects, educational programming, and teacher recruitment and retention. Given this proposal's depletion of public school resources and encouragement of education privatization, however, the Hawaii State Teachers Association asks your committee to **oppose** this bill.



HB2453 HD1
RELATING TO CHARTER SCHOOLS
Senate Committee on Education

March 14, 2016

1:25 PM

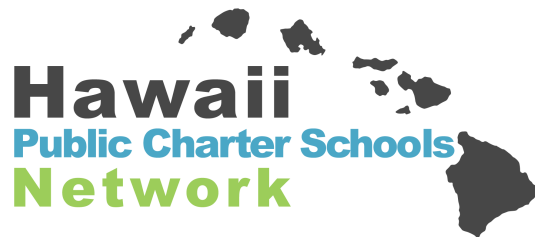
Room 229

The Office of Hawaiian Affairs (OHA) **SUPPORTS** HB2453 HD1. This measure will appropriate funding for fiscal year 2016-2017 for newly approved public charter schools, to assist with pre-opening costs associated with meeting the priority needs identified by the State Public Charter School Commission (Commission).

For a period of time prior to the Commission's creation in Act 130, Session Laws of Hawai'i 2012, state start-up grants were made available to newly approved, pre-opening public charter schools to assist with their substantial pre-opening costs. These state start-up grants provided much needed funding to new public charter schools, particularly as these schools endeavored to establish themselves in their various communities, explore fundraising opportunities, and meet other start-up priorities. Currently, however, pre-opening public charter schools have no such state assistance in meeting their numerous fiscal challenges. Furthermore, Hawai'i Revised Statutes Section 302D-14.5 precludes pre-opening schools from accessing per-pupil and other funding available to operational public charter schools, exacerbating their fiscal burden during this critical period in their development.

OHA has been a strong supporter of Hawai'i's public charter schools, many of which provide a culturally-grounded education for Native Hawaiian and other children. Seventeen of the thirty-four public charter schools in Hawai'i are Hawaiian-focused and Hawaiian language immersion charter schools, in which OHA has invested over \$15,000,000 since FY 2006 (School Year 2005-2006). OHA has made this investment because research has found that Hawaiian students exposed to culturally-driven educational strategies have a stronger sense of socio-emotional well-being, deeper engagement with their schools, and a stronger commitment to civic activities in their community, factors which are directly tied to greater academic achievement. Easing the fiscal burdens borne by pre-opening public charter schools may allow a greater number of students, including Native Hawaiian students, to access the advantages of a culturally-driven education through our public charter school system.

Accordingly, OHA urges the Committee to **PASS** HB2453 HD1. Mahalo nui for the opportunity to testify on this measure.



March 11, 2016

To: Honorable Michelle Kidani, Chair
Honorable Breene Harimoto, Vice Chair
Senate Education Committee

From: Jeannine Souki, Executive Director
Hawaii Public Charter Schools Network

Re: **HB 2453, HD1 – RELATING TO CHARTER SCHOOLS – SUPPORT**
Conference Room 224 – Hawaii State Capitol – Mar 14, 2016, 1:25 P.M.

On behalf of the Hawaii Public Charter School Network (HPCSN), we are submitting support testimony for HB2453 HD1, Relating to Charter Schools, to authorize start up funding for newly approved public charter schools that will meet priority needs identified by the Charter School Commission and establish grant criteria and use of public funds.

This initiative is a much-needed step to provide funding for start-up grants that assist new charter schools approved by the Charter School Commission. Previously, Hawaii public charter schools were eligible for state grants to assist with their significant start-up costs. Public charter schools approved after Act 130 (2012) have shared serious challenges they face with the start up of a new school.

Even after three years in operation, a start-up public charter school can continue to be challenged by the “chicken-or-egg” dilemma of having to draw facilities costs from very modest per pupil funding and fund raising resources especially as they seek to grow enrollment, which helps charter schools become more sustainable. The provision of state start-up grants previously have helped several public charter schools gain firmer footing in the early years as schools become established in their respective communities.

HPCSN recommends that eligibility for start up grants be broadened to include more rural areas in addition to areas with greater than 50 percent Title I eligibility for new charter schools.

HPCSN works to support public charter schools in Hawaii and to be a voice for children and families that seek choice in an independent public school setting.

Thank you for consideration of our testimony. We appreciate the opportunity to provide testimony on behalf of HPCSN.



KAMEHAMEHA SCHOOLS®

Senate Committee on Education

Time: 1:25 p.m.

Date: March 14, 2016

Where: State Capitol Room 229

TESTIMONY

By Ka'ano'i Walk
Kamehameha Schools

To: Chair Kidani, Vice Chair Harimoto and Members of the Committee

RE: **HB 2453 HD1 Relating to Charter Schools**

E ka Luna Ho'omalua Kidani, ka Hope Luna Ho'omalua Harimoto a me nā Lālā o ke Kōmike Ho'ona'auao o ka 'Aha Kenekoa, aloha! My name is Ka'ano'i Walk and I serve as the Senior Policy Analyst of the Kūamahi Community Education Group of Kamehameha Schools. House Bill 2453 HD1 relating to charter schools appropriates funds for start-up grants for newly approved pre-opening public charter schools.

As part of the second goal of Kamehameha Schools' strategic plan, which guides us to contribute to the communities collective efforts to improve Hawai'i's education systems for Native Hawaiian learners, Kamehameha Schools is committed to support Hawaiian-focused charter schools and therefore we stand in **support** of HB 2453 HD1.

Kamehameha Schools advocates for and supports the achievement of Hawai'i's Native Hawaiian public school students. As such, we have been a collaborator with the Hawai'i public charter schools for over a decade. Through our work with Hawaiian-focused public charter schools, we hope to significantly impact more children and their families through education. We believe that Hawaiian-focused charter schools provide quality educational choices for all families and ultimately enhance both academic achievement and engagement for students. This bill is a good first step toward funding approved, pre-opening public charter schools. We encourage you, the leaders of our government to stand with us in supporting a move to improve the educational system in Hawai'i in this way.

Founded in 1887, Kamehameha Schools is a statewide educational system supported by a trust endowed by Princess Bernice Pauahi Bishop, whose mission is to improve the capability and well-being of Native Hawaiian learners. We believe that by continuing to engage in dialog around these charter school policies and proposals, we can contribute in a positive and meaningful way.

We believe that this bill promotes the saying, e kūlia i ka nu'u. To strive for the summit! We commend the legislature for working hard to increase the effectiveness of our public education system. Mahalo nui.



46-063 Emepela Pl. #U101 Kaneohe, HI 96744 · (808) 679-7454 · Kris Coffield · Co-founder/Executive Director

TESTIMONY FOR HOUSE BILL 2453, HOUSE DRAFT 1, RELATING TO CHARTER SCHOOLS

**Senate Committee on Education
Hon. Michelle N. Kidani, Chair
Hon. Breene Harimoto, Vice Chair**

**Monday, March 14, 2016, 1:25 PM
State Capitol, Conference Room 229**

Honorable Chair Kidani and committee members:

I am Kris Coffield, representing IMUAlliance, a nonpartisan political advocacy organization that currently boasts over 350 members. On behalf of our members, we offer this testimony in strong opposition to House Bill 2453, HD 1, relating to charter schools.

We appreciate this bill's effort to ease overcrowding in Hawai'i's public schools, but strongly oppose the diversion of public funds and resources from public school classrooms to privately governed charter schools.

Last May, the state revoked the charter for Halau Lokahi Public Charter School. When the Hawaii State Public Charter School Commission (HSPCSC) combed through the school's records, they noted approximately \$100,000 in questionable expenditures, which were reported to the Attorney General's Office for investigation. Lokahi's director and two of its employees were arrested. Moreover, the school's rent payments reached \$33,000 per month, an unsustainable amount for the struggling school. To cut costs, Lokahi contracted a for-profit charter school company from the mainland to provide online curricula. This and other other savings efforts were to no avail, however, as the school eventually closed and its charter was rescinded, leaving local taxpayers potentially on the hook for hundreds of thousands of dollars in contracted debt.

While the experience of Lokahi does not represent all charter schools, it speaks to the potential pitfalls involved in privatizing public education. Originally intended to be sites of educational innovation, charter schools have become "school choice" models producing mixed results. According to HSPCSC, charter schools differ from traditional public schools in three ways:

- **Choice:** Charter schools give families the opportunity to **choose** the school most suitable for their children's educational well being. Teachers **choose** to create and work at schools

where they directly shape the best working and learning environment for their students and themselves.

- *Accountability:* Charter schools are judged on how well they meet the academic, financial, and organizational performance expectations set forth in their charter performance contracts. Additionally, because charter schools are **schools of choice**, another measure of accountability is student enrollment—if students and their families are unhappy, they can **choose** to go elsewhere.
- *Autonomy:* While charter schools must adhere to the same federal laws and regulations and state standards as all other public schools, they have **flexibility with curriculum and direct management of energy and resources**, allowing them to be innovative.

What is clear, even from HSPCSC’s description, is that charter schools are designed to advance the “school choice” agenda by providing alternatives to traditional public schools, in which curriculum and resources are managed by private governing bodies (whose members, the State Auditor has noted, sometimes violate conflict-of-interest practices by comingling nonprofit and charter school affairs). In contrast, departmental schools are offered no such flexibility and are tasked with meeting the needs of every student who walks through their classroom doors.

Thus, providing funds to charter schools to rectify overcrowding sets the precedent that public school concerns can be addressed through the expansion of school choice initiatives, in which there is evidence of financial and ethical impropriety and from which public school resources may be diluted. In our view, passing this bill is akin to supporting a school voucher program, in which school choice is emphasized over support for quality public education. To address overcrowding in our state’s public school classrooms, we urge the committee to increase funding for facilities by raising the general excise tax, hiking income taxes on our state’s highest earners, or amending the State Constitution to allow a surcharge to levied on property taxes to dedicate funding for public schools.

Passing this bill could lay the groundwork for additional efforts to privatize public education. Accordingly, and on behalf of public school students and teachers, we **strongly oppose** this bill.

Sincerely,
Kris Coffield
Executive Director
IMUAlliance