

March 29, 2016

To: Honorable Jill Tokuda, Chair
Honorable Donovan Dela Cruz, Vice Chair
Senate Ways and Means Committee

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

Re: **HB 2453, HD1 – RELATING TO CHARTER SCHOOLS – SUPPORT**
Conference Room 211 – Hawaii State Capitol – Mar. 29, 2016, 9 A.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 appreciates the legislature’s leadership in **passing HB1251 CD1 last year to address facilities needs shared by public charter schools in Hawai’i. Act 234 (2015) requires the legislature to consider appropriations and bond authorizations for charter schools facilities**, starting with FY 2016-17 and establishes a charter school facilities funding working group within the DOE to give guidance for the Commission to develop criteria to determine the distribution of funds appropriated.

HPCSN is urging members to take the next step for facilities funding this coming FY 2016-17, and provide a General Fund appropriation for public charter school students statewide to be distributed by the working group.

Research shows a significant relationship between the condition of school facilities and student performance. While the initiative to push for air-conditioning in DOE classrooms deserves support, we also ask you to consider that public charter schools need funding for safe and adequate facilities. Every child is deserving of safe public schools facilities including those who chose an education in public 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 Ways and Means

Time: 9:00 a.m.

Date: March 29, 2016

Where: State Capitol Room 211

TESTIMONY

By Ka'ano'i Walk

Kamehameha Schools

TO: Chair Tokuda, Vice Chair Dela Cruz and Members of the Committee

RE: **HB 2453, HD1, SD1, Relating to Charter Schools**

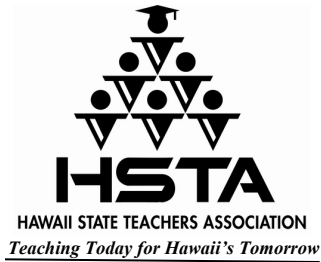
E ka Luna Ho'omalua Tokuda, ka Hope Luna Ho'omalua Dela Cruz a me nā Lālā o kēia Kōmike o ka 'Aha Kenekoa, aloha! My name is Ka'ano'i Walk and I serve as the Senior Policy Analyst of the Kūamahi Community Education Group of Kamehameha Schools. House Bill 2453 HD1, SD1, relating to charter schools appropriates 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, SD1.

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.



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TESTIMONY BEFORE THE SENATE COMMITTEE ON
WAYS AND MEANS

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

TUESDAY, MARCH 29, 2016

COREY ROSENLEE, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

Chair Tokuda 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.



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 Ways and Means
Hon. Jill N. Tokuda, Chair
Hon. Donovan M. Dela Cruz, Vice Chair**

**Tuesday, March 29, 2016, 9:00 AM
State Capitol, Conference Room 211**

Honorable Chair Tokuda and committee members:

I am Kris Coffield, representing IMU Alliance, 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

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: tabraham08@gmail.com
Subject: *Submitted testimony for HB2453 on Mar 29, 2016 09:00AM*
Date: Monday, March 28, 2016 4:40:00 PM

HB2453

Submitted on: 3/28/2016

Testimony for WAM on Mar 29, 2016 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Troy Abraham	Individual	Support	No

Comments:

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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