

SB850

DAVID 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: SB 850 Relating to Facilities Funding for Charter Schools
DATE: Friday, February 6, 2015
TIME: 1:15 p.m.
COMMITTEE(S): Senate Committee on Education
ROOM: Conference Room 229
FROM: Tom Hutton, Executive Director
State Public Charter School Commission

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

The State Public Charter School Commission (“Commission”) appreciates the opportunity to submit this testimony in support of Senate Bills 849 and 1215, “Relating to Charter Schools,” and Senate Bill 850, “Relating to Facilities Funding for 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.

In addition to the CIP requests from the schools, the Commission requested a \$5 million appropriation to provide commercial kitchens at six charter schools. Some charter schools lack kitchen facilities adequate to provide meals to students. Previously these schools were able to contract with the Department of Education (“Department”) for meals, but in response to an

internal audit of the overall school lunch program, the Department in 2013 discontinued this vending relationship. The Commission has been discussing with the Department the possibility of recommencing vending to at least some charter schools where the geographic and other considerations could make this cost-effective, but SB 1215 would provide funding for six of the schools should construction of a kitchen prove the more cost-effective and viable option or where larger community considerations than the school considerations for this community asset were an important factor.

Senate Bills 849 and 850 are proposals reintroduced from the 2014 Session that would provide temporary general obligation bond authority and general funds, respectively, to support charter school facilities needs.

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.



SB850
RELATING TO FACILITIES FUNDING FOR CHARTER SCHOOLS
Senate Committee on Education

February 6, 2015

1:15 p.m.

Room 229

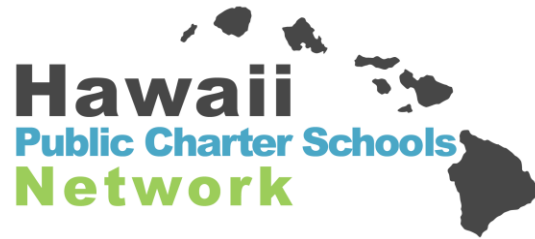
The Administration of the Office of Hawaiian Affairs (OHA) will recommend to the Board of Trustees a position of **SUPPORT** for SB850, which seeks to alleviate the unique financial burdens borne by start-up public charter schools, in meeting their basic facilities needs.

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.

SB850 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 this Committee to **PASS** SB850.

Mahalo nui for the opportunity to testify on this measure.



Hawaii State Senate
Committee on Education

DATE: Friday, February 6, 2015

TIME: 1:15 p.m.

PLACE: Conference Room 229, Hawaii State Capitol

Chair Kidani, Vice Chair Harimoto, and Members of the Education Committee,

Re: SB850 Relating to Charter Schools

Mahalo for the opportunity to testify ***IN STRONG SUPPORT*** of SB850 - Relating to Education. Hawaii Public Charter Schools Network (HPCSN) is committed to quality education for all public school students in Hawaii through our support of, and work with, Hawaii's public charter schools.

This bill:

- 1) appropriates funds for the state public charter school commission to allocate to charter schools for facilities projects, and
- 2) requires annual reporting to the legislature.

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 also making an amendment to this bill that would allow funding to also go to other facilities related expenses such as rents or leases.

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', with a long horizontal stroke extending to the right.

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, Kua o ka La , 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		Ka Umeke, Laahana		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



MĀLAMA HONU CHARTER SCHOOL

Friday, February 6, 2015

1:15 PM

Conference Room 229

TESTIMONY TO THE SENATE COMMITTEE ON EDUCATION

RE: SB 850 – Relating to Facilities Funding for Charter Schools

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

My name is Denise Espania, School Director of Mālama Honua Public Charter School (MHPCS), a K-2 public charter school founded in August 2014 and located in Waimānalo. In partnership with the Polynesian Voyaging Society (PVS), founder Nainoa Thompson founded a public charter school born out of the Worldwide Voyage that is committed to providing the students of Hawai‘i a rigorous, values-based, and place-based education. MHPCS stands to provide the community with a school dedicated to indigenous cultural values that nourish goodness; in addition to helping students develop into wise, compassionate navigators of their learning, lives and 21st century global world.

MHPCS is in strong support of SB 850, a bill for an act that would appropriate funds for the state public charter school commission to allocate to charter schools for facilities projects.

We believe in the public purpose of education and that families should have choices when it comes to the education of their children. Charter schools in Hawai‘i provide that option for our families who otherwise may not be able to find a public school that shares their educational and cultural values.

Charter schools currently receive about half as much per-pupil funding than their DOE counterparts for the education of their students and are left to their own devices to find alternate streams of revenue to make up the difference. In addition, public charter schools struggle to raise monies to build or renovate their facilities or for the maintenance of their current ones.

MHPCS currently rents facilities from St. Matthew’s Church in Waimānalo, which we were fortunate to procure just one month prior to the start of the new school year on August 1st. Beginning on July 7th we held nine ‘ohana workdays totaling 43 ½ hours of worktime; our 37 families contributed over 400 hours of sweat equity to completely renovate the virtually abandoned rooms in preparation for the new school year. This included a top to bottom cleaning, ripping out and replacing the old flooring, painting building interiors, exteriors and furniture, constructing and replacing various fixtures around the school, and electrical and plumbing work just to name a few.

Due to the high demand to attend our school we are already in the process of attempting to procure a new facility that will accommodate our students for school year 2015-2016, which necessarily means that we will have to move to a new location after just one year and many hours of work on our current facility.

Thank you for the opportunity to testify in strong support of this measure.

Testimony SB850
Senate Education Committee
February 6, 2015 Conference Room 229 1:15pm
Support

Dear Chair Kidani and committee,

I support the intent of this bill to facilitate the facility needs of charter schools in the State of Hawaii. As you know, this bill is a carryover from last year's session and some language in the bill has to be amended. Specifically, the sentence: "The commission has currently allocated \$680,000 of federal impact aid to this pilot program. Because of a ruling by the State Attorney General, federal impact aid funds were not to be utilized in this fashion and the legislature did not add any money to this fund. I am sad that charter schools in Hawaii had to wait another year to gain facility support from its government.

We don't necessarily need this pilot project anymore, yet we desperately need some type of appropriation for facilities. Act 159 authorized the commission to request facilities funding as part of its annual budget. So far, we have not seen any of those requests met. Meanwhile, charters have to take huge chunks of money from its per pupil educational funds to pay for rent or leases, utilities, repair and maintenance and other related facility costs.

All charter schools need facilities support, even those occupying former DOE campuses or UH campuses. There are many projects that schools have that this fund could support. The bigger picture is how to sustain the facilities we already occupy in the rent payments, utility payments, and the upkeep of our structures whether owned by the State or rented. Put your trust in the commission to be accountable for the equitable distribution of these funds and generating reports to the legislature each year on the methodology, distribution, and use of such funds.

On behalf of the 11,000 public charter school students, I thank you in advance for supporting their learning environment which has been proven to increase their academic productivity.

Steve Hirakami

Director, Hawaii Academy of Arts & Science PCS



KAMEHAMEHA SCHOOLS®

TO: Honorable Michelle N. Kidani, Chair
Honorable Breene Harimoto, Vice Chair
Members of the Committee on Education

DATE: February 6, 2015
TIME: 1:15 p.m.
PLACE: Conference Room 229
Hawai'i State Capitol

FROM: Kamehameha Schools

RE: SENATE BILL 850, RELATING TO FACILITIES FUNDING FOR CHARTER SCHOOLS

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

Thank you for this opportunity to testify in support of SB 850, 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 reporting 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.

From: mailinglist@capitol.hawaii.gov
To: [EDU Testimony](#)
Cc: jacinthow001@hawaii.rr.com
Subject: Submitted testimony for SB850 on Feb 6, 2015 13:15PM
Date: Wednesday, February 04, 2015 1:44:05 AM

SB850

Submitted on: 2/4/2015

Testimony for EDU on Feb 6, 2015 13:15PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
William Jacintho	Maui Cattlemen's Association	Support	No

Comments: The Maui Cattlemen's Asssocation Fully and Strongly Supports this bill. It is critical that this long time vacant position is filled. Maui County serves three islands, and the position not only works with the Livestock Producers, but also the 4H youth groups through out the County. These programs are great programs that keep our youth busy with a livestock project and off the streets, and out of trouble. Thank you, William G. Jacintho President, Maui Cattlemen's Association

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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From: mailinglist@capitol.hawaii.gov
To: [EDU Testimony](#)
Cc: terriyork2@gmail.com
Subject: Submitted testimony for SB850 on Feb 6, 2015 13:15PM
Date: Thursday, February 05, 2015 10:22:46 AM

SB850

Submitted on: 2/5/2015

Testimony for EDU on Feb 6, 2015 13:15PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Terri York	Individual	Support	No

Comments: I support this bill; however, charter schools need funds not just for building project but for the upkeep of current facilities. Right now charter schools do not receive any facilities funds.

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From: mailinglist@capitol.hawaii.gov
To: [EDU Testimony](#)
Cc: ian.l.york@gmail.com
Subject: Submitted testimony for SB850 on Feb 6, 2015 13:15PM
Date: Thursday, February 05, 2015 11:54:18 AM

SB850

Submitted on: 2/5/2015

Testimony for EDU on Feb 6, 2015 13:15PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Ian York	Individual	Support	No

Comments: Facility funding for charter schools is long overdue. These schools demonstrate passion and commitment to provide innovative and flexible education for the communities they serve. Show support for these and future successes by finally providing facility funding. Equal facility funding, to accompany the equal accountability for educational outcomes, will show the real potential of what charter schools are able to achieve.

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