

DAVID Y. IGE  
GOVERNOR



CATHERINE PAYNE  
CHAIRPERSON

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

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FOR: SCR 154 SD1 Requesting a Study on the Per-Pupil Funding System for Public Charter Schools to Determine Whether the System Fulfills Its Statutory Purpose of Equalizing Operational Funding Among Public Schools

DATE: Thursday, April 14, 2016

TIME: 2:00 PM

COMMITTEE(S): House Committee on Education  
House Committee on Human Services

ROOM: Conference Room 309

FROM: Yvonne Lau, Interim Executive Director  
State Public Charter School Commission

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**Testimony in strong support of SCR 154 SD1**

Chairs Takumi & Morikawa, Vice Chairs Ohno & Kobayashi, and members of the Committee:

The State Public Charter School Commission strongly supports SCR 154 SD1 as it endorses the Commission's standing advocacy position that charter schools must be funded and supported adequately to be able to meet the educational needs of their students and to fulfill their role as a strategy for system-wide improvement. This includes funding and other support for adequate facilities.

The purpose of this study is to have an impartial examination of the per-pupil funding system to determine whether it provides equity for charter schools within the public school system. The Commission intends to fully assist the Legislative Reference Bureau in the preparation of this study and, if requested by LRB, facilitate communication and feedback with the charter schools and other interested stakeholders.

Thank you for the opportunity to provide this testimony.



## SCR154 SD1

### REQUESTING A STUDY ON THE PER-PUPIL FUNDING SYSTEM FOR PUBLIC CHARTER SCHOOLS TO DETERMINE WHETHER THE SYSTEM FULFILLS ITS STATUTORY PURPOSE OF EQUALIZING OPERATIONAL FUNDING AMONG PUBLIC SCHOOLS

House Committee on Education  
House Committee on Human Services

April 14, 2016

2:00 PM

Room 309

The Office of Hawaiian Affairs (OHA) **SUPPORTS** SCR154 SD1, which requests a study on the per-pupil funding system to determine whether the system fails to ensure equal operational funding between public charter and Department of Education (DOE) schools.

Haw. Rev. Stat. §302D-28 mandates that the non-facility general fund per-pupil funding for public charter school students be the same as the general fund per-pupil amount provided to the DOE in its most recently approved executive budget. However, questions have been raised as to whether this per-pupil funding system equalizes funding for public charter schools as intended. For example, start-up public charter schools, which must find their own facilities, have resorted to using per-pupil funding to meet significant facilities expenses, because facilities funding has not been provided them. In its 2014-2015 Annual Report, the Commission stated that “charter schools generally were in fair financial positions as of June 30, 2015, and appear to have exercised sound stewardship of public funds.” However, the Commission warned that financial sustainability challenges lie ahead if funding levels remain essentially flat and/or schools cannot realize additional cost savings. The Commission concluded: “As of this writing, per-pupil funding is expected to be about \$6,846 for fiscal year 2015-2016. Further increases, and assistance in the critical need area of facilities, will help strengthen the financial position of Hawaii’s charter schools.”

The requested study in this resolution will provide the Legislature with critical information on whether funding parity exists between public charter school students and DOE students. OHA has a strong interest in our Hawai‘i public charter school system, since, among other reasons, seventeen of the thirty-four public charter schools are Hawaiian-focused and Hawaiian language immersion charter schools; accordingly, OHA has invested over \$15,000,000 in Hawai‘i’s public charter schools since SY2005-2006.

Therefore, OHA urges the Committees to **PASS** SCR154 SD1. Mahalo nui for the opportunity to testify on this resolution.

Charlotte A. Carter-Yamauchi  
Acting Director

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LEGISLATIVE REFERENCE BUREAU  
State of Hawaii  
State Capitol, Room 446  
415 S. Beretania Street  
Honolulu, Hawaii 96813

Written Testimony

**SCR154, SD1**  
**REQUESTING A STUDY ON THE PER-PUPIL FUNDING SYSTEM FOR PUBLIC CHARTER SCHOOLS TO DETERMINE WHETHER THE SYSTEM FULFILLS ITS STATUTORY PURPOSE OF EQUALIZING OPERATIONAL FUNDING AMONG PUBLIC SCHOOLS**

Testimony by the Legislative Reference Bureau  
Charlotte A. Carter-Yamauchi, Acting Director

Presented to the House Committee on Education

Thursday, April 14, 2016, 2:00 p.m.  
Conference Room 309

Chair Takumi and Members of the Committee:

Good afternoon Chair Takumi and members of the Committee, my name is Charlotte Carter-Yamauchi and I am the Acting Director of the Legislative Reference Bureau. Thank you for providing the opportunity to submit written comments on S.C.R. No. 154, S.D. 1, Requesting a Study on the Per-Pupil Funding System for Public Charter Schools to Determine Whether the System Fulfills its Statutory Purpose of Equalizing Operational Funding Among Public Schools.

The purpose of this measure is to request that:

- (1) The Legislative Reference Bureau conduct a study on the per-pupil funding system to determine whether the system fulfills its statutory purpose of equalizing operational funding among public schools;
- (2) By June 30, 2016, the Department of Education and State Public Charter School Commission provide specific data to the Legislative Reference Bureau detailing what the present system of funding consists within the statutory allocation, to permit the Bureau to target its study and complete it in a timely manner;
- (3) The State Public Charter School Commission, Hawaii Public Charter School Network, Hawaii Educational Policy Center, and other stakeholder agencies provide other information and assistance as requested by the Legislative Reference Bureau; and

- (4) The Legislative Reference Bureau submit a report of its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2017.

The Bureau takes no position on this measure, but submits the following comments for your consideration.

As a baseline matter, the Bureau lacks any specific expertise in how the budgets of the Department of Education and public charter schools operate. As such, we would appreciate very specific instructions and study parameters in order to accomplish any tasks directed to us that relate to fiscal policy issues.

The Bureau very much appreciates the efforts made by the previous Senate Committees that considered this measure to more specifically frame the issue to be studied. However, the Bureau believes that, if the Department of Education and the State Public Charter School Commission could first come to an agreement on the parameters of the per-pupil funding system cost categories to be reported on, what is to be included in these categories, the means of financing, and any other relevant fiscal information, prior to any data being submitted to the Bureau, then the task of compiling, reviewing, and analyzing the submitted data would be completed in a more expeditious manner. Otherwise, the Bureau's study could be stalled due to waiting for the parties to agree on what information should be submitted.

To facilitate completion of the requested study in the timeframe provided and ensure an "apples to apples" comparison, the Bureau respectfully requests that the measure be amended to specifically request that both the Department of Education and the Public Charter School Commission first agree on the financial information to be provided to the Bureau. If amended in this manner, the Bureau may then focus its study efforts on actually comparing funding for each cost category. The following is suggested language to be inserted as the first "BE IT FURTHER RESOLVED" paragraph:

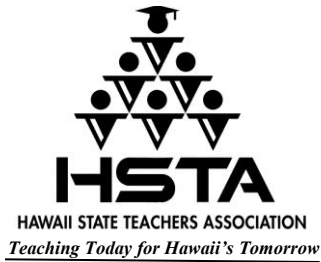
"BE IT FURTHER RESOLVED that the Department of Education and the State Public Charter School Commission are requested to come to an agreement on:

- (1) The per-pupil funding system cost categories to be reported to the Legislative Reference Bureau;
- (2) What is to be included in these categories;
- (3) The format for data submission; and
- (4) Any other fiscal information that would be relevant to the Bureau's study,

prior to any data being submitted to the Bureau; and"

If the measure is amended to address the concern noted above, the Bureau believes that the services requested of the Bureau under this measure are manageable and that the Bureau will be able to provide the services in the time allotted; provided that the Bureau's interim workload is not adversely impacted by too many other studies or additional responsibilities, such as conducting, writing, or finalizing other reports, drafting legislation, or both, for other state agencies, task forces, or working groups that may be requested or required under other legislative measures.

Thank you again for your consideration.



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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: SCR 154, SD 1 - REQUESTING A STUDY ON THE PER-PUPIL FUNDING SYSTEM FOR PUBLIC CHARTER SCHOOLS TO DETERMINE WHETHER THE SYSTEM FULFILLS ITS STATUTORY PURPOSE OF EQUALIZING OPERATIONAL FUNDING AMONG PUBLIC SCHOOLS.

THURSDAY, APRIL 14, 2016

COREY ROSENLEE, PRESIDENT  
 HAWAII STATE TEACHERS ASSOCIATION

Chair Takumi and Members of the Committee:

The Hawaii State Teachers Association **strongly supports SCR 154, SD 1**, requesting a per-pupil funding system for public charter schools to determine whether the system fulfills its statutory purpose of equalizing operational funding among public schools.

Hawai'i shortchanges its public schools. While our state's per-pupil spending of \$11,823 ranks 17th in the nation when compared to other states in raw dollars, comparison with school districts of similar size and demographics yields different results. Mainland districts with high costs of living are typically urban and averaged with with rural districts experiencing lower costs of living in statewide analyses. When comparing school districts of similar size, Hawai'i, the nation's only statewide school district, ranks 227th in per-pupil funding *before* adjusting for cost of living. A comparison of spending per pupil in America's largest school districts shows the following:

DISTRICT	Wash. D.C.	NewYork City, NY	Boston, MA	Pittsburgh , PA	Cincinnati , OH	Detroit, MI
AMOUNT	\$26,661	\$25,061	\$22,762	\$22,600	\$22,157	\$18,361



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Executive Director

Hawaii's major private schools, on the other hand, average \$15,173 in per-pupil spending. When Catholic schools, subsidized by the Roman Catholic Diocese, are removed, private school spending jumps to nearly \$19,173 dollars per student, sans endowment funds that further boost private school baselines. As Punahou President Jim Scott revealed in 2014, "The real cost of our education per student is \$26,000," with the school's endowment standing then at \$235 million and fundraising operations generating an additional \$12-\$15 million each year.

Charter schools, too, face chronic funding shortages. Charters, statewide, spent more than \$8 million, or \$817 per student, in FY2013-2014 to operate and maintain their facilities, with most of that going toward rent. In recent years, funding has become so scarce at charter schools that some, like Na Wai Ola, have had to hold fundraisers to pay for breakfast and lunch programs for their students.

While we urge caution in expanding the local charter school paradigm beyond its current scope, we wholeheartedly support advancing funding equity for public schools. Thus, the Hawaii State Teachers Association asks your committee to **support** this resolution.



## KAMEHAMEHA SCHOOLS®

House Committees on Education and Human Services

Time: 2:00 p.m.

Date: April 14, 2016

Where: State Capitol Room 309

### TESTIMONY

By Ka'ano'i Walk  
Kamehameha Schools

To: Chairs Takumi and Morikawa, Vice Chairs Ohno and Kobayashi, and Members of the Committees

RE: **SCR 154, SD1 REQUESTING A STUDY ON THE PER-PUPIL FUNDING SYSTEM FOR PUBLIC CHARTER SCHOOLS TO DETERMINE WHETHER THE SYSTEM FULFILLS ITS STATUTORY PURPOSE OF EQUALIZING OPERATIONAL FUNDING AMONG PUBLIC SCHOOLS.**

E nā Luna Ho'omalū Takumi me Morikawa, nā Hope Luna Ho'omalū Ohno me Kobayashi, a me nā Lālā o nā Kōmike, 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. Senate Concurrent Resolution 154, SD1 requests a study on the per pupil funding system for 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 SCR 154, 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.

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 appreciate efforts to increase the effectiveness of our public education system. Mahalo nui.