

**HB493**  
**Relating to**  
**Charter**  
**Schools**

# HB493

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.  
 Companion: [SB197](#)  
 Package: None  
 Current Referral: EDN, FIN  
 Introducer(s): TAKUMI, HAR

<a href="#">Sort by</a> <a href="#">Date</a>	Status	Text
1/20/2017	H	Pending introduction.
1/23/2017	H	Pass First Reading
1/23/2017	H	Referred to EDN, FIN, referral sheet 2
2/2/2017	H	Bill scheduled to be heard by EDN on Wednesday, 02-08-17 2:00PM in House conference room 309.

**S** = Senate | **H** = House | **D** = Data Systems | **\$** = Appropriation measure | **ConAm** = Constitutional Amendment

Some of the above items require Adobe Acrobat Reader. Please visit [Adobe's download page](#) for detailed instructions.

## HB493

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# A BILL FOR AN ACT

RELATING TO CHARTER SCHOOLS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that certain department  
2 of education schools, such as those located in leeward Oahu, are  
3 operating at or near-full capacity and struggling with severe  
4 overcrowding. Additionally, public school capacity concerns  
5 have been raised in connection with the projected construction  
6 of residential high-rises in the Kakaako community development  
7 district.

8           Section 302D-13, Hawaii Revised Statutes, provides for the  
9 creation of new start-up public charter schools. Public charter  
10 schools could be a crucial piece of a larger solution to address  
11 school overcrowding as public charter schools can often be  
12 established and begin operation in less time than it would take  
13 to establish and open a new school under the department of  
14 education. The state public charter school commission  
15 identified the following priority needs for applications in its  
16 2016-2017 request for proposals for new public charter schools:



# H.B. NO. 493

- 1           (1) New schools that would provide additional school  
2           capacity in geographic areas in which existing public  
3           schools are already exceeding, have already reached,  
4           or are projected to reach or exceed full enrollment  
5           capacity; and
- 6           (2) New schools that would serve communities in which  
7           existing public schools are not performing well  
8           academically, as measured by the State's strive HI  
9           performance system and other student outcomes, and  
10          that present a plan for improving these outcomes.

11           Although the State previously provided start-up grants to  
12 assist public charter schools with their pre-opening costs  
13 before operating funds become available to them, currently, pre-  
14 opening charter schools receive no state assistance in meeting  
15 these significant challenges.

16           The purpose of this Act is to provide funding for start-up  
17 grants to assist one or more new pre-opening charter schools.

18           SECTION 2. There is appropriated out of the general  
19 revenues of the State of Hawaii the sum of \$200,000 or so much  
20 thereof as may be necessary for fiscal year 2017-2018 and the  
21 same sum or so much thereof as may be necessary for fiscal year



# H.B. NO. 493

1 2018-2019 for start-up grants to assist pre-opening charter  
 2 schools that meet the priority needs identified by the state  
 3 public charter school commission in its 2016-2017 request for  
 4 proposals for new schools. The state public charter school  
 5 commission shall establish grant criteria and guidelines for use  
 6 of grant funds.

7 The sums appropriated shall be expended by the state public  
 8 charter school commission for the purposes of this Act.

9 SECTION 3. This Act shall take effect on July 1, 2017.

10

INTRODUCED BY:

*T. F. Leah*  
 \_\_\_\_\_  
*Sharon C. Lee*  
 \_\_\_\_\_  
 JAN 20 2017



# H.B. NO. 493

**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.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*



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

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FOR: HB 493 Relating to Charter Schools  
DATE: Wednesday, February 8, 2017  
TIME: 2:00 PM  
COMMITTEE(S): House Committee on Education  
ROOM: Conference Room 309  
FROM: Sione Thompson, Executive Director  
State Public Charter School Commission

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**Testimony in support HB 493**

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

The State Public Charter School Commission appreciates the opportunity to submit this testimony in strong support of House Bill 493, which would appropriate \$200,000 to make start-up grants available to pre-opening charter schools that would be priority system needs identified by the Commission. We are grateful to Chair Takumi and Vice Chair Har for their introduction of the proposal and for their continued interest in public charter schools as a potential part of the solution to school overcrowding.

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 present alternatives for improving academic outcomes in their communities. While welcoming such proposals, the Commission has not lowered its rigorous approval bar for these applications.

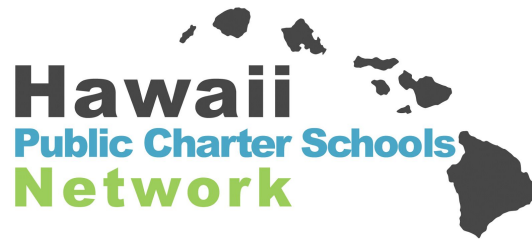
The targeted availability of grants for start-up schools would add a significant incentive for these especially desirable applications and could provide important support to some newly created, pre-opening schools in their start-up year before they become fully operational. Because pre-opening charter schools will not receive their funding to open and operate the

new school until July 20<sup>th</sup> of the year they are scheduled to open their doors, having this start-up grant would assist new charters in this critical time period.

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.





February 7, 2017

To: Hon. Roy Takumi, Chair  
Hon. Sharon E. Har, Vice Chair  
Hon. Richard P. Creagan, Member  
Hon. Richard H.K. Onishi, Member  
Hon. Mark J. Hashem, Member  
Hon. Kaniela Ing, Member  
Hon. Justin H. Woodson, Member  
Hon. Lauren Kealohilani Matsumoto, Member  
Hon. Takashi Ohno, Member  
House Committee on Education

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

**Re: HB 493 - Relating Charter Schools.  
Conference Room 309 – Hawaii State Capitol – Feb. 8, 2017, 2:00 P.M.**

On behalf of the Hawaii Public Charter School Network (HPCSN), we respectfully submit our testimony in support of [HB 493](#).

This bill appropriates moneys for start-up grants for newly approved, pre-opening public charter schools. Three start up charter schools were approved last year plan to open their doors next school year: Alaka'i O Kauai'i, Kamalani Public Charter School and Kapolei Public Charter School by Goodwill.

This initiative is a much-needed step to provide funding for start-up grants that help new charter schools approved by the Charter School Commission. Previously, Hawaii's public charter schools were eligible for state grants to assist with their significant start-up costs. Public charter schools approved after Act 130 (2013) 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 fundraising resources especially as they seek to grow enrollment or add grades over time, which helps charter schools become more sustainable. The provision of state start-up grants have helped several public charter schools gain firmer

footing in the early years as schools become established in their respective communities.

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. We appreciate the opportunity to provide testimony and respectfully urges your passage of this bill.



**HB493**  
**RELATING TO CHARTER SCHOOLS**  
House Committee on Education

February 8, 2017

2:00 PM

Room 309

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The Office of Hawaiian Affairs (OHA) Beneficiary Advocacy and Empowerment Committee will recommend that the Board of Trustees **SUPPORT** HB493, which appropriates funding for newly approved public charter schools, to assist with the substantial 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 education 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** HB493.

Mahalo nui for the opportunity to testify on this measure.



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

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## TESTIMONY FOR HOUSE BILL 493, RELATING TO CHARTER SCHOOLS

House Committee on Education  
Hon. Roy M. Takumi, Chair  
Hon. Sharon E. Har, Vice Chair

Wednesday, February 8, 2016, 2:00 PM  
State Capitol, Conference Room 309

Honorable Chair Takumi 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 opposition to House Bill 493, relating to charter schools.

We appreciate this bill's effort to ease overcrowding in Hawai'i's public schools, but oppose the diversion of public funds and resources from mainstream public school classrooms to new charter schools to address systemic challenges in public education, especially when existing charter schools are grossly underfunded.

In May of 2015, 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 charterizing—or, worse, 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 governing boards composed of private interests—members of charter school boards, the State Auditor has noted, sometimes violate conflict-of-interest practices by comingling nonprofit and charter school affairs). In contrast, departmental schools are offered little 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 the needs of our state's established charter schools, we urge lawmakers to pass House Bill 533, which appropriates \$10 million to the Hawai'i State Public Charter School Commission to allocate for facilities projects and rent assistance based, in part, on need and financial performance. To ease overcrowding, we ask you to support Gov. David Ige's request for \$700 million in bond revenue for public school CIPs during the 2017-2018 fiscal year, while pressing the governor to call for an equal or greater amount during the 2018-2019 fiscal year.

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 oppose this bill.

Sincerely,  
Kris Coffield  
*Executive Director*  
IMUAlliance

## EDNtestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 6, 2017 11:44 PM  
**To:** EDNtestimony  
**Cc:** markolson68@gmail.com  
**Subject:** \*Submitted testimony for HB493 on Feb 8, 2017 14:00PM\*

### **HB493**

Submitted on: 2/6/2017

Testimony for EDN on Feb 8, 2017 14:00PM in Conference Room 309

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
mark olson	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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## EDNtestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 7, 2017 11:41 AM  
**To:** EDNtestimony  
**Cc:** akamaimom@gmail.com  
**Subject:** Submitted testimony for HB493 on Feb 8, 2017 14:00PM

### HB493

Submitted on: 2/7/2017

Testimony for EDN on Feb 8, 2017 14:00PM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Felicia Cowden	Individual	Support	No

Comments: Please support funding the start-up of approved Charter Schools. It is an overwhelming hurdle to find and fund the opening of a school in the short window of time available to approved Charter Schools. Facilities is the biggest hurdle. As a youth advocate for decades, we have many examples of students who do not thrive in the structured environment of book learning for a number of reasons. The investment made into the success of charter schools benefits not only the families and students who attend these schools, but also for the students in traditional schools who have classmates that thrive in the mainstream class structure rather than operate in resistive learning. The north east corridor of Kauai where I live, there are many families who shift from public school, private program, unschooling, home schooling, and a range of options as their children struggle to attend regular school. Currently, I am on the advisory board of a much-desired, recently approved charter elementary school and facilities are a very difficult hurdle. I have been the co-chair of Kauai's youth council, the chair of the School community council for Kapaa High school and have run a small alternative program called Akamai Learning for five years that helps to address the needs of the students who don't want to be in school. They thrive with a learning-by-doing model. Please support the Charter efforts in all ways possible. Everybody wins. Felicia Cowden Kilauea, Kauai  
[www.akamailearning.org](http://www.akamailearning.org)

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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