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OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 936

February 28, 2017
3:00 p.m.
Room 308

RELATING TO TEACHER INCENTIVES

House Bill No. 936 specifies that funds necessary to pay for public charter school teacher incentive programs, bonuses, and other compensation required by law or collective bargaining beyond regular wages shall not be paid out of a charter school's facilities funding or per-pupil funds. In addition, the measure indicates that these amounts shall be a separate line item in the general appropriations act and the supplemental appropriations act. The measure makes an unspecified appropriation of general funds for FY 17-18.

The Department of Budget and Finance is providing comments on this measure. If enacted, the measure would provide the public charter schools with additional funding to which the Department of Education (DOE) public schools are not proportionately allocated. The DOE currently absorbs the costs for teacher incentive programs, bonuses, and other compensation for its teachers within its budget.

Thank you for your consideration of our comments.



HB936
RELATING TO TEACHER INCENTIVES
House Committee on Finance

February 28, 2017

3:00 PM

Room 308

The Office of Hawaiian Affairs (OHA) **SUPPORTS** HB936, which clarifies that funds for teacher incentive bonuses required by law or collective bargaining shall not be paid out of a public charter school's facilities or per-pupil funds, and appropriates funds for such teacher incentive bonuses. **This measure helps to ensure a fair allocation of funds meant to benefit students in both public charter schools and Department of Education (DOE) schools.**

Currently, the DOE maintains a designated fund to pay incentive bonuses to DOE school teachers who have earned National Board Certification, or who teach at hard-to-fill schools. In contrast, there is no such designated fund for teachers in public charter schools who have similarly earned National Board Certification, or who teach at hard-to-fill schools. Consequently, public charter schools have had to pay these incentive bonuses out of each individual school's per-pupil funds, a cost that was not calculated into the moneys provided each year by the State. This places an enormous burden on public charter schools already struggling to balance their lean budgets. HB936 seeks to address the inequity of this situation, by clarifying that charter school per-pupil and facility funds shall not be used to fund teacher incentive bonuses.

Therefore, OHA urges the Committee to **PASS** HB936.

Mahalo nui for the opportunity to testify on this measure.



1200 Ala Kapuna Street ♦ Honolulu, Hawaii 96819
Tel: (808) 833-2711 ♦ Fax: (808) 839-7106 ♦ Web: www.hsta.org

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

TESTIMONY BEFORE THE HOUSE COMMITTEE ON
FINANCE

RE: HB 936 - RELATING TO TEACHER INCENTIVES.

TUESDAY, FEBRUARY 28, 2017

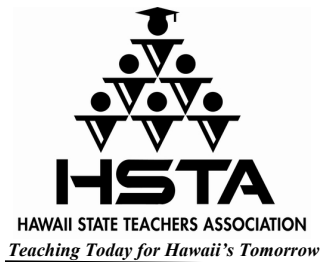
COREY ROSENLEE, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

Chair Luke and Members of the Committee:

The Hawaii State Teachers Association **supports HB 936**, relating to teacher incentives.

National board certified educators are critical to increasing learning growth. As the National Board for Professional Teaching Standards states, national board certified teachers shape the profession that shapes our society's future. Created by teachers, for teachers, national board certification is widely viewed as the gold standard of teaching certification, with the same being respectively true for national board certified counselors and school psychologists. Research shows that the students of national board certified education professionals achieve more and perform better in the classroom.

National board certified education professionals are, therefore, critical to raising graduation rates, setting and meeting rigorous performance goals, and bridging achievement gaps. A study performed by Stanford sociologist Sean Reardon found that the "rich-poor gap" in math and reading test scores is roughly 40 percent larger now than it was 30 years ago. Given the chronic resource shortages, teacher turnover, demographic inequalities, and low pay experienced by educators working in high-need and economically impaired areas, it is imperative that policymakers take steps to incentivize the pursuit of professional excellence and reward quality educators, without whom scholastic progress may be jeopardized.



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The need for national board certified and other quality educators is significant in charter schools, which often serve impoverished or minority communities. Twenty-three of our state's charter schools are classified as Title I, meaning that they serve low-income communities. Attracting and retaining top-flight educators at these schools requires a variety of creative incentives, though we agree with this measure's findings that funds for incentive pay should never lessen charter school facilities funds. These funds come from the schools' per-pupil operating monies, with the majority being used for rent payments, according to the Hawaii State Public Charter School Commission. We urge you to ensure that incentive pay for charter school teachers does not erode dwindling facilities funds, while resolving charter school infrastructure inequity by giving the commission additional funds in the state budget to be used for repairing and maintaining charter school facilities.

The Hawaii State Teachers Association supports charter school teachers and believes they should be offered lucrative incentives to develop their skills and first-rate classrooms in which to practice their profession. Accordingly, we ask your committee to **support** this bill.



KAMEHAMEHA SCHOOLS®

House Committee on Finance

Time: 3:00 p.m.

Date: February 28th, 2017

Where: State Capitol Room 308

TESTIMONY

By Ka'ano'i Walk
Kamehameha Schools

To: Chair Luke, Vice Chair Cullen and Members of the Committee

RE: **HB 936 Relating to Teacher Incentives**

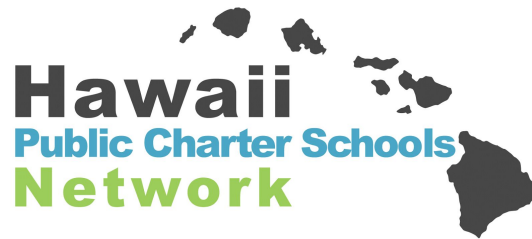
E ka Luna Ho'omaluku Luke, ka Hope Luna Ho'omaluku Cullen a me nā Lālā o ke Kōmike Waiwai o ka Hale o nā Lunamaka'āinana, aloha! My name is Ka'ano'i Walk and I serve as the Senior Policy Analyst of the Kūamahi Community Education Group of Kamehameha Schools.

HB 936 relating to teacher incentives would clarify that funds for bonuses required by statute or collective bargaining shall not be paid out of a charter school's facilities funding or per-pupil funds. It requires, beginning with fiscal year 2018-2019, that such bonuses be separate line items in the budget. This bill appropriates funds for teacher bonuses for hard-to-fill placement incentives and National Board certified teacher incentives for charter school teachers. We are writing in **support** of this measure.

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 our families and ultimately enhance both academic achievement and engagement for students. This bill is a good first step toward achieving necessary and sustainable funding for public charter schools.

Founded in 1887, Kamehameha Schools is an organization striving to advance a thriving Lāhui where all Native Hawaiians are successful, grounded in traditional values, and leading in the local and global communities. We believe that community success is individual success, Hawaiian culture-based education leads to academic success and local leadership drives global leadership.

‘A‘ohe hana nui ke alu ‘ia. No task is too large when we all work together! Mahalo nui.



February 28, 2017

To: Hon. Sylvia Luke, Chair
Hon. Ty J.K. Cullen, Vice Chair
Finance Committee Members
House Committee on Finance

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

**Re: HB 936 - Relating to Teacher Incentives - Support
Conference Room 308 – Hawaii State Capitol – Feb. 28, 2017, 2:00 P.M.**

On behalf of the Hawaii Public Charter School Network (HPCSN), we respectfully submit our testimony in support of [HB 936](#).

HPCSN supports this bill to clarify that the appropriation of teacher bonuses for hard-to-fill placement and National Board certified teacher incentives be separate line items in the state budget. The provision of teacher incentive pay amongst charter schools has been a long-standing problem. This bill helps to resolve the ambiguity and provision of funding among schools with teachers who qualify for this type of incentive pay by ensuring the appropriation of it is separate from the per pupil allocation for 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. We appreciate your favorable consideration of this bill.

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 27, 2017 8:44 AM
To: FINTestimony
Cc: bennyjduke@gmail.com
Subject: Submitted testimony for HB936 on Feb 28, 2017 15:00PM

HB936

Submitted on: 2/27/2017

Testimony for FIN on Feb 28, 2017 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Benjamin Duke	Individual	Support	No

Comments: I would like to urge the legislature to pass legislation that fund bonuses for qualifying charter school teachers (the same bonuses that qualifying non-charter DOE teachers receive). My two children attend Innovations Public Charter School and I am in my eleventh year teaching at West Hawaii Explorations Academy Public Charter School. I have seen firsthand the success that students can have at charter schools. They have historically been drastically underfunded by the state of Hawaii. Please support all public school children equally. Mahalo, Ben Duke Kailua-Kona, HI

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov



HOUSE OF REPRESENTATIVES
 COMMITTEE ON FINANCE
 Rep. Sylvia Luke, Chair
 Rep. Ty J.K. Cullen, Vice Chair

LATE

**Testimony In Support of H.B. 936
 Relating to Teacher Incentives**

Tuesday, February 28, 2017, 3:00 PM
 Conference Room 308, Hawai'i State Capitol

Chair Luke and Members of the Committees:

Ho'okako'o Corporation (Ho'okako'o) is in **strong support of H.B. 936**, which appropriates funds for teacher bonuses for hard-to-fill placement incentives and National Board certified teacher incentives for charter school teachers, and clarifies that these incentives required by statute or collective bargaining are not to be paid from charter school facilities or per-pupil funding.

As mandated, all licensed Hawai'i public school teachers working in hard-to-fill areas, which includes licensed charter school teachers, are to receive an additional \$3,000 pay differential annually, and National Board certified teachers are to receive a \$5,000 bonus with an additional \$5,000 annually for teaching in a hard-to-fill area. Charter schools receive a fixed per pupil allocation which does not include a separate allocation for these bonuses. As a result, in order to fund this differential as mandated, charter schools pay for these bonuses from per-pupil funds resulting in less funding for programs and teaching lines.

Collectively, our three schools, Kamaile Academy in Wai'anae, Kualapu'u School on Moloka'i, and Waimea Middle School on Hawai'i Island, serve over 1,500 children in Pre-K through 12th grade, 82% of whom are from low-income families, and 60% are of Hawaiian ancestry. Two of our schools, Kamaile and Kualapu'u, are situated in designated hard-to-fill areas. For 2016-2017, mandated hard-to-fill and National Board certified teacher bonuses for our three schools alone total \$293,000, payable each year.

	Licensed Teachers in Hard-to-Fill Area	National Board Certified Teachers	Bonus Amount
Kamaile Academy (Wai'anae)	66	1	\$208,000
Kualapu'u School (Moloka'i)	25	N/A	\$75,000
Waimea Middle School	N/A	1	\$10,000
total	91	2	\$293,000

Ho'okako'o strongly supports H.B. 936 as it will help charter schools meet the added and well-deserved cost of providing teacher incentives and bonuses as required by statute and collective bargaining, allowing us to attract and retain the highest quality teachers for our poorest and most rural communities. We respectfully request the House Committee on Finance's support of H.B. 936.

Thank you,

David Y. Gibson, Executive Director
 Ho'okāko'o Corporation
 (808) 983-3835

DAVID Y. IGE
GOVERNOR



CATHERINE PAYNE
CHAIRPERSON

LATE

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 936 Relating to Charter Schools
DATE: Tuesday, February 28, 2017
TIME: 3:00 PM
COMMITTEE(S): House Committee on Finance
ROOM: Conference Room 308
FROM: Sione Thompson, Executive Director
State Public Charter School Commission

Testimony in support of HB 936

Chair Luke, Vice Chair Cullen, and members of the Committee:

The Commission deeply appreciates the support in this bill for our public charter school teachers and schools in properly and fully funding teacher incentive pay for charter school teachers who teach in hard-to-staff areas and who have earned National Board certification.

All public charter schools employ Hawaii State Teachers Association (HSTA) Bargaining Unit 5 teachers. Schools in hard-to-fill areas are obligated to pay hard-to-fill teacher incentive pay. This request is made as a follow-up to the Special Provisions Section 127 of the Executive Budget bill (Act 119, SLH 2015), which provided that “the general fund appropriation for charter schools (EDN 600) shall be considered the non-facility appropriation for charter school students;...” and further provided that:

“for the purposes of this section, all grant appropriations issued pursuant to chapter 42F, Hawaii Revised Statutes, and funds appropriated for teacher recruitment and retention incentive for hard-to-fill positions shall be excluded from non-facility appropriations for the department of education and charter schools;...”

The budget proviso recognizes that with the increase of the hard-to-fill teacher incentive from \$1,500 to \$3,000 per teacher per year starting in fiscal year 2017-2018, the financial impact of this requirement on the nine charter schools located in the designated hard-to-fill areas has

doubled. Up until fiscal year 2015-2016, charter schools in the designated areas had to use their per-pupil funds to fulfill this HSTA contractual obligation. This meant not only that the amount of funding that went to the charter schools was calculated based on the DOE budget and not on the actual cost for charter schools to provide the incentive pay, but also that the resulting funds were spread across all 34 schools rather than directed at those schools that actually are obligated to pay the bonuses.

The budget proviso partly addressed this problem by separating the funds for the hard-to-fill incentive pay from the per-pupil funding so that they could instead be directed to those schools that have to make the payments. The Commission is very grateful to the Legislature for this short-term action.

The incentive pay for National Board certified teachers under Section 302A-706, HRS, presents the same problem as does pay for hard-to-fill bonuses.

To resolve the problem, the Commission has requested a separate allocation of funds. To avoid this allocation from being considered non-facility per-pupil funds as described above, the Commission recommends the allocation be made to EDN 612 to enable the specific distribution of funds to those schools that are required to pay the bonus. To fund the incentives directly out of per-pupil funding would have a significant negative impact on funding for the other schools.

Enactment of this bill would ensure that the solution is permanent and not dependent on recurring budget provisos.

Thank you for the opportunity to provide this testimony.