



LATE

January 27, 2017

**To: Honorable Michelle Kidani, Chair
Honorable Kaiali'i Kahele, Vice Chair
Donovan M. Dela Cruz, Member
Will Espero, Member
Gil Riviere, Member
Senate Committee on Education**

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

**Re: SB 198 – RELATING TO CHARTER SCHOOLS –
Conference Room 229 – Hawaii State Capitol – Jan. 30, 2017, 2:45 P.M.**

On behalf of the Hawaii Public Charter School Network (HPCSN), we respectfully submit our comments on [SB 198](#), Relating to Charter Schools.

This bill would require that every charter school governing board be a non-profit organization whose primary purpose is operating the charter school; prohibit commingling of moneys distributed by the State or federal government for the purpose of operating a charter school with other moneys that do not have an educational purpose that benefits the charter school and require charter schools to indemnify the State against any claims arising from misconduct of the school or governing board.

HPCSN heard from several of Hawaii's public charter school leaders and governing board members and other stakeholders on the legislation and is sharing several questions and concerns regarding the potential impacts this bill would have on existing charter schools.

We believe schools and their governing boards should take responsibility for misconduct that may occur in charter schools and that any potential claims against the state should be limited. However, the purpose of this legislation is not clear. Charter schools are already prohibited from commingling moneys received from the Commission. We also find the term "educational purpose" should be clearly defined because schools incorporate a variety of programs from growing food and nutrition

to running transportation for students to get to school. Among other concerns expressed are that not all schools may have the capacity to establish a 501 (c)(3) non profit entity and find the additional requirement burdensome and resources to run both a state charter school entity and a private non-profit organization non-existent. Other implications that need further exploration are charter schools' use state property, ability to access legal services through the state's attorney general office and the school's' ability to engage in collective bargaining.

Charter schools have many checks and balances in place. Last week the Hawaii Public Charter School Commission approved the renewal of 23 charter schools, completing its renewal process for all eligible schools. Schools were able to work collaboratively with the commission staff on their renewals without the rancor experienced in recent years. This renewal process marks a major milestone in the progress of our state's charter school law.

In addition to federal and state assessment reporting requirements, charter schools must measure up to Academic, Financial and Organizational Framework metrics gathered and reported by the Commission each year. The average of these scores is used to determine the viability of a schools and renewal contracts. The Financial Performance Framework is used to evaluate a school's financial health and viability on an ongoing basis and for the purposes of an annual review. A school receives a "Meets Standard" overall rating if it meets or exceeds targets for five or more of the eight measures, one of which must be Unrestricted Days' Cash on Hand at the end of the year. For fiscal year 2015-2016, a school's overall Financial Performance rating is considered as a part of charter school contract renewal criteria. In addition, charter schools by state law are required to conduct financial audits each year. This data is included in the Commission's annual report on charter school performance. Recent amendments to state law mandate that the commission can call for the closure of a charter school if it cannot make payroll.

Most of HPCSN charter school members agree the transition from the support-focused Charter School Administrative Office to a performance and accountability based Charter School Commission authorizing system has not been an easy one. The Board of Education and Charter School Commission reviews are nearly at the tail end of work on their respective Permitted Interaction Groups (PIGs) to study questions and concerns raised during a charter schools listening tour in 2015. HPCSN members also agree that we need to build stability and sustainability for Hawaii's public charter schools to thrive.

We are starting to see progress and resolutions to work toward building that stability and clarification between the charter school commission (authorizer) and the charter schools they oversee. Hawaii's charter schools participated in the revision of the state's strategic plan on education that was previously limited to creating a guiding platform for aligning goals and resources for DOE schools. Charter schools participated in the Governor's ESSA Task Force and Blue Print Plan discussions. Charter schools are also participating in the ESSA state plan framework led by the

DOE.

Charter school leaders, teachers, staff and community-based governing boards work collectively to make decisions on nearly all aspects of a school's operation. Decisions related to collective bargaining, the provision of legal representation by the state's attorney general, Teacher's Standards Board requirements, the provision of Special Education, compliance with DOE and Commission reporting requirements and a handful of others must be followed by charter schools. There are significant checks and balances in place for charter schools without the provision of centralized support services to ensure and validate questions or concerns raised by school leaders and their governing boards.

We appreciate the leadership of the Legislature, leaders in both DOE and independent schools, the BOE and the Charter School Commission that are working to improve education for students in our state. Presently, charter schools are working with the Commission and its staff to refine performance frameworks for school contracts that will be awarded starting SY 2017.

Additionally, we appreciate your support and recognition that every child is deserving of safe public school facilities including those who chose an education in public charter schools. We appreciate legislature's role in identifying the need for equity in facilities funding for Hawaii's charter schools in passing Act 234 (Session Laws 2015), which requires the legislature to consider appropriations and bond authorizations for charter school 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. The Commission is moving to convene this working group this session and we humbly ask for you, our legislators, to take the next step and appropriate facilities funding in HB100, the state biennium budget bill.

HPCSN member schools share in the vision of having transparency, accountability, stability and sustainability, school empowerment and choice in public education. Our missions align for the betterment of education for all students in our state.

In summary, we recommend that this bill be rejected by your committee. We do not recognize nor understand the rationale behind many of the directives of the proposed bill. Passage of the bill could blur:

- **The definition of what a charter school really is—public or private or even privatized;**
- **The degree of autonomy (one of the reasons to have charter schools) that schools will have to determine the constitution of their governing boards;**
- **Clear guidelines on the use of public funds for charter schools;**
- **The status of school employees—are they public (state) employees or does that status change because the governing board is not a non-profit. Are those employees entitled to state benefits and collective bargaining representation?**

We can infer from the wording of the bill that this is an attempt to be proactive in preventing some of the problems that charters have had in the past. If this was the goal, we do not believe this bill is the way to resolve it. The bill establishes requirements and a higher level of bureaucracy (along with the accompanying documentation mandates) that will likely not solve the problems. We wish to have further discussion on this issue to bring resolution.

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.

Mahalo for your consideration and the opportunity to provide HPCSN's comments on this bill.

Sincerely,

**Jeannine Souki
Executive Director
Hawaii Public Charter Schools Network**

**Ed Noh
School Director
Lanikai Elementary Public Charter School**

**Leigh Fitzgerald
Executive Director
Hawaii Technology Academy**

**Gretchen Ana Currie Ramirez
Development Director
Kona Pacific Public Charter School
Charter School**

**Kapono Ciotti
CEO/Head of School
Wai'alaie Elementary Public**

**Susie Osborne
School Director
Kua o ka Lā New Century Public Charter School
Charter**

**Romeo Garcia
School Director
Laupahoehoe Community Public**

**Jennifer Hiro
School Director
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**Kaleimakamae Kauuwai
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Kawaikini New Century PCS**

**Kalima Cayir
Director
The Volcano School of Arts & Sciences**

**Ivy K Kelling
Principal
Ke Kula 'o Samuel M. Kamakau, LPCS**

David Gibson
Executive Director
**Ho`okakoo Schools: Kamaile Academy PCS, Kualapu`u School: A Public Conversion
Charter, Waimea Middle Public Conversion Charter School**

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Monday, January 30, 2017 11:47 AM
To: EDU Testimony
Cc: dkapua@gmail.com
Subject: Submitted testimony for SB198 on Jan 30, 2017 14:45PM

SB198

Submitted on: 1/30/2017

Testimony for EDU on Jan 30, 2017 14:45PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Kapua Keliikoa-Kamai	Individual	Oppose	No

Comments: Aloha kakou, At this time I oppose SB 198 RELATING TO CHARTER SCHOOLS. Relating to Charter Schools; Governing Boards; 501(c)(3) Nonprofit Organizations; Contracts. Requires that every charter school governing board be a nonprofit organization whose primary purpose is operating the charter school. Prohibits commingling of moneys distributed by the State or federal government for the purpose of operating a charter school with other moneys that do not have an educational purpose that benefits the charter school. Requires charter schools to indemnify the State against any claims arising from misconduct of the school or governing board. Some public charter schools (PCS) have been successful in offering courses that mainstream education (DOE) no longer deem necessary, value or fund. However, some of these courses are exactly what today's students need to become contributing community members. While college is advantageous, not ALL students are college bound. Therefore, class projects, musically inclined class's, home economics (domestic & financial), etc. funding should be allowed to be co-mingled as separate budget line items that contribute to PCS successes. This Bill will require the PCS governing board, administration, teachers, parents of students to create multiple non-profits (501c3), further adding to the challenges of having, working at, attending and/or sending our children to a PCS. We've already got facilities, lunch, distance, transportation, etc. challenges to overcome. Furthermore, with all the conditions, constraints, limitations and restrictions that this state had imposed, it should NOT BE indemnified. The state should be accountable in the same manner as standard DOE schools. Parity in accountability and funding as each child is equally important. Also, I confess that I've just seen this Bill SB 198) and know little about it. It just seems to disenfranchise and further punish the public charter school student from the Hawaii educational system. Mahalo for allowing my mana'o to be considered. Kapua Keliikoa-Kamai, A PCS makua & concerned Waianae resident

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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