

Written Comments

DAVID Y. IGE
GOVERNOR



KATHRYN S. MATAYOSHI
SUPERINTENDENT

STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 04/04/2017

Time: 09:45 AM

Location: 211

Committee: Senate Ways and Means

Department: Education

Person Testifying: Kathryn S. Matayoshi, Superintendent of Education

Title of Resolution: SCR 053 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.

Purpose of Resolution:

Department's Position:

The Department of Education (Department) appreciates the scope and complexity of the question this resolution asks the Legislative Reference Bureau to answer, and offers a comment.

Page 2, lines 14-37, of the resolution requests the Department of Education and State Public Charter School Commission to agree upon and provide data to the Legislative Reference Bureau by June 30, 2017. This is a short turn-around time given that there will need to be discussion and agreement obtained on:

1. The cost categories to be used to determine the per-pupil funding amount;
2. The format for data submission to be provided; and
3. Any other fiscal information to provide that may be relevant.

Given that the requested report is not due to the Legislature until 20 days prior to the 2019 Session, which would be December 28, 2018, allowing additional time for the two parties to agree upon and compile the data may be warranted. The Department suggests replacing June 30, 2017 with December 31, 2017.

Thank you for the opportunity to provide comments on this resolution.

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

FOR: SCR 53 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: Tuesday, April 4, 2017

TIME: 9:45 a.m.

COMMITTEE(S): Senate Committee on Ways and Means

ROOM: Conference Room 211

FROM: Sione Thompson, Executive Director
State Public Charter School Commission

Chair Tokuda, Vice Chair Dela Cruz, and members of the Committee:

The State Public Charter School Commission (“Commission”) appreciates the opportunity to submit this testimony in **strong support of SCR 53**, which is requesting the Legislative Reference Bureau to conduct a study on the per-pupil funding system for charter schools.

SCR 53 affirms 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. This includes funding and other support for adequate facilities. Charter schools contribute to the public education system as a whole by providing alternative educational options and modeling innovative practices. The purpose of this study is to have an impartial examination of the per-pupil funding system to determine whether the system fulfills its statutory purpose of equalizing operational funding among public schools.

The Commission intends to fully assist in 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.

Charlotte A. Carter-Yamauchi
Director

Shawn K. Nakama
First Assistant

Research (808) 587-0666
Revisor (808) 587-0670
Fax (808) 587-0681



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

Written Comments

SCR53

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

Charlotte A. Carter-Yamauchi, Director
Legislative Reference Bureau

Presented to the Senate Committee on Ways and Means

Tuesday, April 4, 2017, 9:45 a.m.
Conference Room 211

Chair Tokuda and Members of the Committee:

Good morning Chair Tokuda and members of the Committee, my name is Charlotte Carter-Yamauchi and I am the Director of the Legislative Reference Bureau. Thank you for providing the opportunity to submit written comments on S.C.R. No. 53, 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) The Department of Education and State Public Charter School Commission come to an agreement on:

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

prior to any data being submitted to the Legislative Reference Bureau;

- (2) By June 30, 2017, 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 of within the statutory allocation, to enable the Bureau to target its study and complete it in a timely manner;
- (3) The Department of Education, Department of Budget and Finance, 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 2019.

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

The Bureau would like to note that, based on a plain reading of section 302D-28(c), HRS, there doesn't seem to be a need to study the stated issue, since the Department of Budget and Finance is not only charged with the responsibility for ensuring that equitable non-facility per pupil funding is being allocated between department and charter schools, but also to report on such allocations and expenditures annually to the Legislature, Governor, Department of Education, and charter schools.

Section 302D-28(c), HRS, reads as follows:

(c) Notwithstanding any law to the contrary, to ensure non-facility per-pupil general fund amounts allocated for the department and charter school students

are equal on an annualized fiscal year basis, each year the director of finance shall:

- (1) Determine the sum of general fund appropriations made for department and charter school student non-facility costs described in subsections (a) and (b);
- (2) Determine the sum of department and charter school student enrollment based on reviewed and verified student enrollment counts as of October 15;
- (3) Determine a per-pupil amount by dividing the sum of general fund appropriations determined under paragraph (1) by the sum of student enrollment determined under paragraph (2);
- (4) Transfer a general fund amount between the department and charter schools that will provide each with a per-pupil allocation equal to the amount determined on an annualized fiscal year basis under paragraph (3); and
- (5) Annually account for all calculations and transfers made pursuant to this subsection in a report to the legislature, governor, department, and charter schools.

This subsection shall not limit the ability of the director of finance to modify or amend any allotment pursuant to chapter 37. (emphasis added)

The Bureau would also like to note that it lacks any specific expertise in how the budgets of the Department of Education and public charter schools operate. Due to this lack of expertise, the Bureau feels that it may have to contract the services of a person or entity with relevant budgetary knowledge and experience. However, the Bureau does not maintain a reserve within its budget to contract services for studies.

If, despite the foregoing, the Committee desires the Bureau to conduct the study, the Bureau will do its best to provide the services requested in the time allotted; provided that the Department of Education and the State Public Charter School Committee timely provide the data as requested; and provided further 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.



SCR53

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

Senate Committee on Ways and Means

April 4, 2017

9:45 AM

Room 211

The Office of Hawaiian Affairs (OHA) **SUPPORTS** SCR53, which requests 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.

Our public charter schools, including our Hawaiian culture-based and language immersion schools, have demonstrated their potential to significantly advance the State's educational standards. This includes high rankings in a number of the latest Strive HI SY 2015-2016 performance measures, such as students' American College Testing (ACT) scores, graduation rates, and college matriculation rates. However, long-standing concerns suggest that the realization of public charter schools' full potential may be inhibited by funding inequities and challenges.

As this resolution points out, the State Public Charter School Commission has warned in its annual reports that financial data from public charter schools reveal both short-term financial strain as well as long-term operational sustainability challenges. Further, questions have been raised about whether the current per-pupil funding system provides equitable funding for public charter schools as compared to Department of Education (DOE) schools.

OHA notes that a study on public charter school funding is consistent with the recently approved State Board of Education updated State Education Strategic Plan 2017-2020 (Plan), which describes the "shared objectives for equity and excellence for every child across Hawai'i's nearly 300 public schools, including our public charter schools and Hawaiian language medium schools"; the Plan also recognizes the need to "maximize allocation of resources toward strategic uses to advance equity and excellence (e.g., through review of base funding in weighted student formula, charter schools' per-pupil funding.)" [Emphasis added.]

OHA respectfully submits that the Committee may find it beneficial to expand the study to also consider alternative statutory funding options available to public charter schools. Charter schools do have the options to receive funding through the weighted

student formula adopted by the Board of Education for DOE schools, or through an alternative weighted student formula as proposed to the Board of Education through their authorizer, in lieu of the current per-pupil funding system. However, these options are available only if approved by more than a two-thirds vote of charter school governing boards; charter school governing boards may not have the resources and expertise to weigh the costs and benefits of exercising either option.

Accordingly, OHA urges the Committee to **PASS** SCR53.

Mahalo nui for the opportunity to testify on this important measure.

From: mailinglist@capitol.hawaii.gov
Sent: Friday, March 31, 2017 5:04 PM
To: WAM Testimony
Cc: kaulanad@gmail.com
Subject: *Submitted testimony for SCR53 on Apr 4, 2017 09:45AM*

SCR53

Submitted on: 3/31/2017

Testimony for WAM on Apr 4, 2017 09:45AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Kaulana Dameg	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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