

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: HB 2162 HD1 Relating to Teacher Incentives
DATE: March 16, 2018
TIME: 2:50 P.M.
COMMITTEE: Senate Committee on Education
ROOM: Room 229
FROM: Sione Thompson, Executive Director
State Public Charter School Commission

Chair Kidani, Vice Chair Kahele, and members of the Committee:

The State Public Charter School Commission (“Commission”) appreciates the opportunity to submit this testimony in **SUPPORT of HB 2162 HD1**, which provides teacher incentive funds as a separate budgetary appropriation. This proposed amendment to the charter school law, Chapter 302D, HRS, would allow for a permanent solution that would fully fund teacher incentive pay for charter school teachers who teach in hard-to-staff areas and charter school teachers who have earned National Board certification.

The current Master Agreement between the Board of Education and the Hawaii State Teachers Association requires that teachers in specific geographic areas designated as hard-to-fill be paid an annual differential of \$3,000. For the previous school year, funding of \$567,473 was provided to over 200 teachers in nine charter schools designated as being in hard-to-fill areas.

National Board Certified teachers represent another group of teachers charter schools are required to provide an incentive to. Section 302A-706, HRS, establishes the teacher national board certification incentive program which provides a \$5,000 bonus to teachers who maintain national board certification. Incentives are also provided for completion of the certification program and an additional \$5,000 is provided to national board certified teachers who teach at a designated hard-to-fill area.

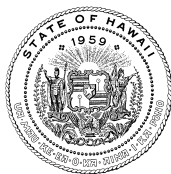
For the 2017-2018 school year, there are twenty teachers in twelve charter schools who have current national board certification. Of these twenty teachers, six teachers work in charter

schools designated hard-to-fill, making each teacher eligible for at least a \$10,000 incentive payment. Funding of \$137,000 is needed to cover the National Board Certification incentive for this school year; this funding includes \$7,000 for two charter school teachers who completed the certification process this school year.

The Commission also appreciates the efforts of the Legislature in providing a permanent solution to this funding challenge through the amendment to Section 302D-28, HRS, proposed in this measure. The Commission looks forward to collaborating with this committee and the Legislature as a whole in advancing this important legislation.

Thank you for the opportunity to provide this testimony.

DAVID Y. IGE
GOVERNOR



LAUREL A. JOHNSTON
DIRECTOR

KEN N. KITAMURA
ACTING DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE**

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

WRITTEN ONLY

TESTIMONY BY LAUREL A. JOHNSTON
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON EDUCATION
ON
HOUSE BILL NO. 2162, H.D. 1

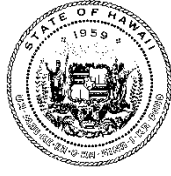
**March 16, 2018
2:50 p.m.
Room 229**

RELATING TO TEACHER INCENTIVES

House Bill No. 2162, H.D. 1, amends Section 302D-28, HRS, and specifies that funds necessary to pay for teacher incentive programs, bonuses, and other compensation required by law or collective bargaining beyond regular wages shall be excluded from the per-pupil budget adjustment request and shall not be paid out of a charter school's facilities funding or per-pupil funds. In addition, the measure indicates that funding requests for 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 18-19.

The Department of Budget and Finance offers the following 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. Moreover, the measure as amended appears to exclude funding for teacher incentive programs, bonuses, and other compensation required by law or collective bargaining beyond regular wages from the per-pupil budget adjustment request for both the DOE and public charter schools. The DOE absorbs most of these costs within its budget, but it is not readily apparent where they are included in the budget details.

Thank you for your consideration of our comments.



STATE OF HAWAII
HAWAII TEACHER STANDARDS BOARD
650 IWILEI ROAD, SUITE 201
HONOLULU, HAWAII 96817

TESTIMONY BEFORE THE SENATE COMMITTEE ON EDUCATION

PERSON TESTIFYING: Lynn Hammonds for the
Hawaii Teacher Standards Board

DATE: Friday, March 16, 2018

TIME: 2:50 pm

LOCATION: State Capitol Conference Room 229

TITLE OF BILL: HB 2162_HD1 RELATING TO TEACHER INCENTIVES

PURPOSE OF BILL:

Clarifies 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. Beginning with fiscal year 2018-2019, requires that such bonuses be separate line items in the budget. Appropriates funds for teacher bonuses for hard-to-fill placement incentives and National Board certified teacher incentives for charter school teachers.

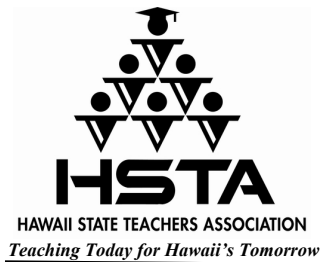
Chair Kidani, Vice Chair Kahele, and Members of the Committee on Education:

The Hawaii Teacher Standards Board (HTSB) **strongly supports** SB2162 HD1, which will ensure that all Hawaii teachers earning National Board for Professional Teaching Standards (NBPTS) certification, including those teaching in charter schools, will receive the incentive as provided in statute.

The National Board states, "Every student deserves to be taught by an accomplished teacher. National Board Certification was designed to develop, retain and recognize accomplished teachers and to generate ongoing improvement in schools nationwide. It is the most respected professional certification available in K-12 education."

HTSB recognizes that individuals earning National Board certification are master teachers and knows the process to attain this certification requires intense preparation. The current fee of \$1,900 may be a roadblock to teachers unless they know they will qualify for the incentive.

Thank you for the opportunity to testify.



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

TESTIMONY BEFORE THE SENATE COMMITTEE ON
EDUCATION

RE: HB 2162, HD 1 - RELATING TO TEACHER INCENTIVES

FRIDAY, MARCH 16, 2018

COREY ROSENLEE, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

Chair Kidani and Members of the Committee:

The Hawaii State Teachers Association **supports HB 2162, HD 1**, relating to teacher incentives.

Adequate funding, especially for facilities, is a long-standing issue for charter schools. In Hawai'i, start-up charter schools have paid the costs of their facilities from operational funds. In 2013, however, lawmakers authorized the Hawai'i State Public Charter School Commission to request facilities funding as part of its annual budget request. Later, in 2015, legislators called for a working group to establish a framework for providing facilities funding and support for public charter school facilities with adequate prioritization, oversight, and accountability.

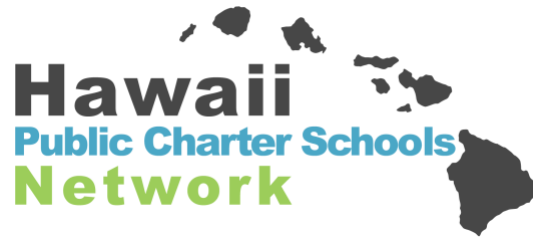
Today, amounts received by charter schools fail to keep pace with the cost of providing and quality instruction and maintaining adequate facilities. Charter schools receive \$7,323 per-pupil, most of which is disbursed toward operational expenses, often leaving charters to rely on private donations to fund facilities and rent. Charter schools' per-pupil operating funds cover items like salaries, collective bargaining costs, curricula, school supplies, equipment, and utilities, but do not encompass the facilities and maintenance costs that comprise approximately 10 percent of charter school budgets, according to the Hawai'i Public Charter Schools Network.

Poorly funded charter schools are sometimes forced to hold classes in unstable temporary structures to the detriment of their students' learning and safety. Thus,

we support safeguarding charter schools' facilities and per-pupil budgets by exempting teacher incentives from these funding streams and, instead, making them line items in the state budget. We also wholeheartedly support appropriating funds for national board certified teachers at charter schools. 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. Research shows that NBCTs excel in the classroom, with the students taught by NBCTs showing evidence of deeper learning at three times the rate of their peers, according to a 2008 study published in *Advances in Program Evaluation*.

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 our chronic resource shortage, 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 would be jeopardized.

The need for NBCTs is significant in charter schools, which often serve economically disadvantaged communities. To support and develop quality charter school teachers, the Hawaii State Teachers Association asks your committee to **support** this bill.



March 16, 2018

To: Honorable Michelle N. Kidani, Chair
Honorable Kaiali'i Kahele, Vice Chair
Senate Committee on Education

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

Re: **HB 2162 HD1 - RELATING TO TEACHER INCENTIVES - SUPORT**
Conference Room 229 - Hawaii State Capitol - March 16, 2018, 2:50 P.M.

On behalf of the Hawaii Public Charter School Network (HPCSN), I respectfully submit our testimony in strong support for HB 2162 HD1, Relating to Teacher Incentives. This bill addresses the long-standing need to provide equity for all Hawai'i public school teachers and clarifies the means for providing funding for teacher incentive pay required under the state's collective bargaining agreements and statutes.

This bill will clarify that teacher bonuses required by statute or collective bargaining shall not be paid out of a charter school's facilities funding or per-pupil funds. It further clarifies that the require bonuses should be paid through separate line items in the state budget, beginning with fiscal year 2018-2019.

Teacher Bonus Pay Requirement for All Public Schools

Bonuses are required to be paid by schools in designated hard-to-fill areas under the Master Agreement between HSTA and State BOE for incentive pay of \$3,000 per teacher. Schools must also pay National Board Certified teachers an incentive which ranges from \$5,000 per teacher who maintains certification, and can add \$5,000 more per teachers in designated hard-to-fill areas, as required under HRS §302A-706.

Current General Fund Allocation to Charter Schools Do Not Account for Teacher Bonuses

The sum of teacher incentive pay funds for charter schools are assigned in EDN 600 by Budget & Finance. All public charter schools receive the same level of state per pupil funding of \$7383/student in SY17-18 appropriated through EDN 600 to provide for its instructional operations and, currently, there is no separate facilities funding provided to start-up charter

schools. This charter school per pupil amount is derived by adding up EDNs 100, 200, 300 and 400 and dividing that by the total number of all enrolled public school students. When EDN 600 funds are dispersed to charters, the aggregate sum is divided by the total enrollment of charter students to establish a per pupil amount. This amount is then multiplied by each school's reported student enrollment and becomes the sum of the school's annual allocation. This is distributed to respective charter schools in allotments by the State Public Charter School Commission during the course of the operational school year.

Currently, in the per pupil allocation, there are no break out of funding for teacher incentive pay for designated hard-to-fill charter schools or those with National Board Certifications. This bill will establish a line item distribution for charter school teacher incentives to be allocated to respective schools for distribution to compensate teachers as required in the State's current Master Agreement with HSTA and under HRS §302A-706

How to Ensure Teacher Bonus Allocations are Distributed

This bill provides the guidance to calculate required teacher incentive pay for respective charter schools and fund that separately from the per pupil allocation. Without this bill, the current allocation in EDN 600 remains a perennial conundrum for charter schools because these costs are major expenses especially for those in designated hard-to-fill areas. Unlike DOE schools with centralized support services and budgets that can be redistributed across EDNs to absorb costs like teacher incentive programs, charter schools do not have the means absorb these expenses across the board.

For these reasons, we humbly ask your support for this bill to deliver equitable funding for public charter school teachers that deserve this incentive pay.

Mahalo for your consideration. HPCSN works to improve the operation and governance of public charter schools in Hawai'i and to be a voice for children and families that seek educational choices and quality in an independent public-school setting.



HB2162 HD1
RELATING TO TEACHER INCENTIVES
Senate Committee on Education

March 16, 2018

2:50 p.m.

Room 229

The Office of Hawaiian Affairs (OHA) **SUPPORTS** HB2162 HD1, 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; makes an unspecified appropriation for FY2018-2019; and provides that funding requests for these amounts shall be a separate line item in the general appropriations act and supplemental appropriations act. **This measure provides a permanent solution to fully fund teacher incentive pay for charter school teachers who have earned National Board certification, or who teach in hard-to-fill schools.**

OHA understands that the Hawai'i Department of Education (DOE) maintains a designated fund to pay mandatory 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 is *not* currently calculated into the moneys public charter schools are provided each year by the State.** This places an enormous burden on public charter schools already struggling to balance their lean budgets. HB2162 HD1 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, and providing for a permanent funding solution.

Therefore, OHA urges the Committee to **PASS** HB2162 HD1. Mahalo nui for the opportunity to testify on this measure.

HB-2162-HD-1

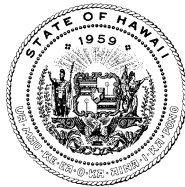
Submitted on: 3/14/2018 12:01:40 PM

Testimony for EDU on 3/16/2018 2:50:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Usha Kilpatrick Kotner	Individual	Support	No

Comments:

Please help close the gap in this important area of funding inequity.



**STATE OF HAWAII
Kualapu'u School
Public Conversion Charter**

P O Box 260
Kualapu'u, Molokai, Hawaii 96757
Phone: (808) 567-6900, Fax: (808) 567-6906

March 14, 2018

To: COMMITTEE ON EDUCATION
Senator Michelle N. Kidani, Chair
Senator Kaiali'i Kahele, Vice Chair

From: Lydia Trinidad, Principal
Kualapu`u Public Conversion Charter School

Re: **HB 2162 Relating to Teacher Incentives**
Hawaii State Capitol, March 16, 2018, Room 229 2:500 p.m.

**On behalf of Kualapu`u Public Conversion Charter School, I am writing to SUPPORT
HB 2162 – Relating to Teacher Incentives**

Kualapu`u Public Conversion Charter School is in strong support of HB 2162, 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.

Kualapu`u PCCS is situated on Molokai and is designated a hard-to-fill area. For 2017-2018, mandated hard-to-fill and certified teacher bonus for Kualapu`u PCCS is \$81,000 for 27 teachers.

Kualapu`u PCCS strongly supports HB 2162 as it will help our charter school 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.