

DAVID Y. IGE
GOVERNOR



CATHERINE PAYNE
CHAIRPERSON

STATE OF HAWAII
STATE PUBLIC CHARTER SCHOOL COMMISSION
(‘AHA KULA HO‘ĀMANA)

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DATE: January 12, 2018

TO: Donovan Dela Cruz, Chair
Senate Committee on Ways and Means

Michelle Kidani, Chair
Senate Committee on Education

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

SUBJECT: 2018 Budget Briefing Testimony

Chair Dela Cruz, Chair Kidani, and members of the Committees:

The State Public Charter School Commission (“Commission”) appreciates this opportunity to submit this testimony on its budget.

MISSION STATEMENT

The statutory mission of the Commission is “to authorize high-quality public charter schools throughout the State.” (HRS 302D-3(b)). The Commission’s strategic vision for the chartering of these high-quality schools is that they provide excellent and diverse educational options for Hawai‘i’s families, prepare our students for future academic or career success, and contribute meaningfully to the continued improvement of Hawai‘i’s public education system as a whole.

ECONOMIC AND FISCAL CONDITIONS

Hawai‘i’s 36 public charter schools currently enroll 11,343 students, which represents an increase of over 700 students (approximately seven percent) from the 2016-2017 school year. Not only did the enrollment at individual schools increase, but two new charter schools opened on Oahu this school year: Kamalani Academy, located in Wahiawa and serving students in kindergarten through grade 8, and the Kapolei Charter School by Goodwill Hawaii, located in Kapolei and serving students in grade 9.

Most of the charter schools' state funding is provided on a per-pupil basis based on the operating appropriation to the Hawai'i Department of Education (DOE) and the schools' pro rata enrollment compared to the total public education enrollment. Utilizing this methodology, the per-pupil amount for the current school year is \$7,323.

During the 2016-2017 school year, the Commission fulfilled one of its primary duties as an authorizer by renewing the contracts of 33 of the 34 charter schools that were in operation at the time. This marked the first time that existing charter schools in Hawaii had been subject to renewal. The length of contract term a charter school received on its renewed charter contract was based on a charter school's performance on the Commission's academic, organizational, and financial performance frameworks. Contract terms ranged from 2 years to five years; two charter schools received contract terms of two years, eleven charter schools have a three-year term, twelve charters have four year contracts, and eight charters received five year contracts, the longest term contract awarded by the Commission.

FEDERAL FUNDS

Federal education program funds

Charter schools receive federal funding through the DOE, as the DOE is the state education agency (SEA). These federal education programs include: Title I, Part A; Title II, Part A; Title III; IDEA, Part B; and Impact Aid. For the 2016-2017 school year, the Commission distributed federal funds in the amount of \$7,238,982 to charter schools.

Preschool Development Grant

On January 1, 2015, the Commission was awarded a four-year federal Preschool Development Grant to support statewide efforts to build, develop and expand voluntary, high-quality pre-kindergarten programs for four-year-olds from low-and moderate-income families. The grant, totaling \$14,881,368 over the four years, will serve a potential 920 children. This school year, Hawai'i was awarded a supplemental grant in the amount of \$1,375,218 to further strengthen Hawai'i's early childhood workforce, bringing the total grant funds to \$16,256,568. Hawai'i is the only grantee in the nation whose award focused solely on charter schools.

Thirteen charter schools in Hawai'i have opened 18 pre-kindergarten classrooms. The schools enrolled 241 students into their pre-kindergarten programs in the 2017-2018 school year. Five of these classrooms are Hawaiian immersion early learning programs. The grant will fund these vital early learning opportunities through the end of the 2018-2019 school year. The Commission will be looking to the Legislature for its support in continuing these high quality pre-kindergarten programs, and early learning in Hawai'i as a whole, during the 2020 legislative session.

BUDGET REQUEST

In October 2017, the Commission submitted the original budget request to the Department of Budget and Finance. As the sole authorizer of charter schools in the state, the Commission oversees the budgetary process, not only for itself (program ID- EDN 612), but also for the per-pupil amount allocated to charter schools (program ID- EDN 600).

School Operations

Pursuant to the per-pupil funding formula that is based on DOE appropriations and relative enrollment, an increase of approximately \$1.31 million for fiscal year 2018 and 2019, is included in the Governor's supplemental budget package to equalize the per-pupil funding formula.

Estimated grants and donations to charter schools were self-reported by 26 of the 34 charter schools for fiscal year ended June 30, 2017, for a total of approximately \$8,551,170. Grants were provided during the year by other institutions, notably including Kamehameha Schools and the Office of Hawaiian Affairs. While this support is helpful and has been an element of support for these charter schools for many years, it also comes with many conditions, and private funders often are reluctant to provide funding to meet the basic needs of schools to ensure sustainability.

Though the Commission's request for approximately \$6.2 million for facilities funding was not included in the supplemental budget request, this remains a top priority for the Commission. In regards to funding, one of the Commission's Standing Advocacy Principles is that charter schools must be funded and supported adequately to be able to meet the needs of their students and to fulfill their role as a strategy for system-wide improvement.

The Commission would like to highlight the following items that have been included in the Governor's supplemental budget request.

1. **Teacher Incentives Awards (\$667,050 for the hard-to-staff incentive) (\$95,000 for National Board Certified teachers):** During the past three legislative sessions, the Commission had requested funding for hard-to-staff incentive pay for teachers and National Board Certified Teacher awards on behalf of charter schools affected by these mandated teacher incentives. This year, the Commission is pleased and appreciative of the inclusion of both the hard-to-fill and National Board Certified Teacher incentives in the Governor's supplemental budget package.

Teachers working in hard-to-staff areas are eligible for a \$3,000 incentive payment. Teacher who have earned National Board Certification are eligible for incentive payments up to \$10,000. While both teacher incentive awards affect a limited number of charter schools, due to the per-pupil funding structure, the funding that charter schools received was based on the DOE budget, not on the true cost of providing the incentives, and these per-pupil funds were spread across all charter schools, not just those that employ teachers eligible for these incentives. The Commission believes these separate appropriations emphasize the Legislature's intent of providing incentives to our teachers working in these hard-to-staff areas and those that distinguished themselves with National board certification.

Commission Operational Expenses

1. **Fiscal Support (\$50,000):** The Commission is responsible for the receipt of applicable federal funds from the DOE and the distribution of funds to the public charter school it authorizes. The

Commission office is also responsible for the receipt of per-pupil funding from the Department of Budget and Finance and distribution of the other state funding to the schools.

In FY17, the Commission distributed over \$81 million in general and federal funds to 34 charter schools. Due to the unique funding structure of charter schools, the Commission acts as the primary pass-through of all federal and state funds. This is an extremely paper-intensive process, and two staff, who were originally hired to perform authorizer's duties, also completed thousands of transactions in the receipt and distribution of these funds. The Governor's supplemental budget request provides the Commission with a 1.0 FTE position to support the fiscal operations of the Commission office to meet its statutory requirements.

2. **Travel Expenses for the Commission and Commission Office (\$10,000):** The Governor's supplemental budget request provided the Commission funding to cover travel expenses to cover travel and related costs associated with the Commission holding neighbor islands meetings to better serve charter school families. In addition, the request included the travel and related costs for a commissioner from Hawai'i Island to attend Commission meetings on O`ahu.

CONCLUSION

The State Public Charter School Commission appreciates the opportunity to discuss this year's budget with your Committee this Session and thanks the Chair and Members of the Committee for your continuing support of Hawai'i's 36 public charter schools and their 11,343 students. The Commission remains prepared to work with the Legislature and other stakeholders to find additional innovative ways to improve learning options and opportunities for Hawai'i's students.

Department of Education- Charter Schools
Functions

Table 1

<u>Division</u>	<u>Description of Function</u>	<u>Activities</u>	<u>Prog ID(s)</u>	<u>Statutory Reference</u>
SPCSC	Authorize high-quality public charter schools throughout the state.	Solicit and evaluate charter applications; approve quality charter applications and decline weak or inadequate applications; and negotiate and execute sound charter contracts with each approved charter applicant and with existing public charter schools.	EDN 600 EDN 612	HRS 302D-3(b) HRS 302D-5
		Act as a point of contact between the department and a public charter school it authorizes; ensure compliance of a public charter school it authorizes with all applicable state and federal laws, including reporting requirements; receive and distribute applicable federal funds from the department to the public charter school; and receive and distribute per-pupil funding from the department of budget and finance to the public charter school it authorizes.	EDN 612	HRS 302D-3(b) HRS 302D-5
SPCSC	Continually monitor the performance and legal compliance of the public charter schools.	Monitor, in accordance with charter contract terms, the performance and legal compliance of public charter schools; determine whether each charter contract merits renewal, nonrenewal, or revocation.	EDN 612	HRS 302D-5(a) HRS 302D-17(a)
		Annually publish and provide, as part of its annual report to the Board of Education and the Legislature, a performance report for each public charter school it oversees.	EDN 612	HRS 302D-17(b)

Department of Education- Charter Schools
Department-Wide Totals

Table 2

Fiscal Year 2018				
Act 49/17 Appropriation	Restriction	Emergency Appropriations	Total FY18	MOF
\$ 85,247,456.00			\$ 85,247,456.00	A
\$ 1,892,000.00			\$ 1,892,000.00	N
\$ 550,000.00			\$ 550,000.00	C
			\$ -	
			\$ -	
			\$ -	
\$ 87,689,456.00	\$ -	\$ -	\$ 87,689,456.00	Total
Fiscal Year 2019				
Act 49/17 Appropriation	Reductions	Additions	Total FY19	MOF
\$ 86,118,793.00	\$ (291,681.00)	\$ 2,889,880.00	\$ 88,716,992.00	A
\$ 1,892,000.00			\$ 1,892,000.00	N
			\$ -	
			\$ -	
			\$ -	
			\$ -	
\$ 88,010,793.00	\$ (291,681.00)	\$ 2,889,880.00	\$ 90,608,992.00	Total

Department of Education- Charter Schools
 Program ID Totals

Table 3

<u>Prog ID</u>	<u>Program Title</u>	<u>MOF</u>	<u>As budgeted in Act 49/17 (FY19)</u>			<u>Governor's Submittal (FY19)</u>			<u>Percent Change of \$\$\$\$</u>
			<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$</u>	
EDN 612	Charter Schools Commission and Administration	A	16.12		\$ 1,500,000	17.12		1,550,000	0.033333
EDN 612	Charter Schools Commission and Administration	N	1.88		415,700	1.88		415,700	

Department of xxx
Budget Decisions

Table 4

Prog ID	Sub-Org	Description of Request	MOF	Initial Department Requests			Budget and Finance Recommendations			Governor's Decisions		
				FY19			FY19			FY19		
				Pos (P)	Pos (T)	\$\$\$		Pos (T)	\$\$\$	Pos (P)	Pos (T)	\$\$\$
EDN 600		Per Pupil Funding Adjustment	A									1,317,937
EDN 600		Per-pupil adjustment for Alakai O Kauai Public Charter School for FY 19 due to not opening in FY19	A									-291,681
EDN 600		To provide funding for DreamHouse, a newly approved public charter school.	A			749,893						749,893
EDN 600		Hard to Staff Incentive	A									\$ 667,050
EDN 612		FY19 Collective Bargaining Adjustments	A			\$ 1,773,297						
EDN 612		Funding for National Board Certified Teachers Incentive	A			\$ 95,000						95,000
EDN 612		Facilities Funding	A			\$ 6,211,043						
EDN 612		Travel Expenses for Commission Meetings	A			\$ 26,532						
EDN 612		Fiscal Support	A	2.00		\$ 100,000				1		50,000
EDN 612		Human Resources Support Services	A			\$ 7,284						
EDN 612		Payroll Services	A			\$ 10,000						
EDN 612		Charter School Authorizer	A			\$ 19,590						
EDN 612		Personnel Services Adjustments	A			\$ 120,000						
EDN 612		New Charter School Start-Up Support	A			\$ 100,000						
EDN 612		Travel Expenses for Commission and Commission Office	A									10,000

Department of Education- Charter Schools
Proposed Budget Reductions

Table 5

Prog ID	Sub-Org	Description of Reduction	Impact of Reduction	MOF	FY18			FY19			FY18
					Pos (P)	Pos (T)	\$\$\$\$	Pos (P)	Pos (T)	\$\$\$\$	Restriction (Y/N)
EDN 600		Per-pupil adjustment for Alakai O Kauai Public Charter School for FY 19 due to not opening in FY19	None	A						-291,681	N

Department of Education- Charter Schools
Proposed Budget Additions

Table 6

Prog ID	Sub-Org	Addition Type	Prog ID Priority	Dept- Wide Priority	Description of Addition	Justification	MOF	FY19		
								Pos (P)	Pos (T)	\$\$\$
EDN 600		AR			Per Pupil Funding Adjustment		A			1,317,937
EDN 600		AR			To provide funding for DreamHouse, a newly approved public charter school.		A			749,893
EDN 600		AR			Hard to Staff Incentive		A			667,050
EDN 612		AR	2		Funding for National Board Certified Teachers Incentive	There is no funding or a statutory mechanism for public charter school teachers to receive this collectively bargained incentive.	A			95,000
EDN 612		AR	5		Establish a fiscal officer at the Commission office	This request will support the fiscal operations at the Commission office to meet statutory requirements.	A			50,000
EDN 612		NR			Travel Expenses for Commission and Commission Office	Request for Travel and Related Costs for a commissioner from the Big Island to attend Commission general business meeting Oahu	A			10,000

Department of Education- Charter Schools
 FY18 Restrictions

Table 7

<u>Prog ID</u>	<u>Sub-Org</u>	<u>MOF</u>	<u>Budgeted by Dept</u>	<u>Restriction</u>	<u>Difference Between Budgeted & Restricted</u>	<u>Percent Difference</u>	<u>Impact</u>
							None

Department of Education- Charter Schools
Emergency Appropriation Requests

Table 8

<u>Prog ID</u>	<u>Description of Request</u>	<u>Explanation of Request</u>	<u>MOF</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$</u>
		None				

Department of Education- Charter Schools
Expenditures Exceeding Appropriation Ceilings in FY17 and FY18

Table 9

<u>Prog ID</u>	<u>MOF</u>	<u>Date</u>	<u>Appropriation</u>	<u>Amount Exceeding Appropriation</u>	<u>Percent Exceeded</u>	<u>Reason for Exceeding Ceiling</u>	<u>Legal Authority</u>	<u>Recurring (Y/N)</u>	<u>GF Impact (Y/N)</u>
None									

Department of Education- Charter Schools
 Intradepartmental Transfers in FY17 and FY18

Table 10

<u>Actual or Anticipated Date of Transfer</u>	<u>MOF</u>	<u>Pos (P)</u>	<u>Pos (T)</u>	<u>\$\$\$</u>	<u>From Prog ID</u>	<u>Percent of Program ID Appropriation Transferred From</u>	<u>To Prog ID</u>	<u>Percent of Receiving Program ID Appropriation</u>	<u>Reason for Transfer</u>	<u>Recurring (Y/N)</u>
							None			

Department of Education- Charter Schools
 Vacancy Report as of November 30, 2017

Table 11

<u>Prog ID</u>	<u>Sub-Org</u>	<u>Date of Vacancy</u>	<u>Expected Fill Date</u>	<u>Position Number</u>	<u>Position Title</u>	<u>Exempt (Y/N)</u>	<u>SR Level</u>	<u>BU Code</u>	<u>Perm Temp (P/T)</u>	<u>FTE</u>	<u>MOF</u>	<u>Budgeted Amount</u>	<u>Actual Salary Last Paid</u>	<u>Authority to Hire (Y/N)</u>	<u>Occupied by 89 Day Hire (Y/N)</u>	<u># of 89 Hire Appts</u>	<u>Describe if Filled by other Means</u>	<u>Priority # to Retain</u>
612		11/15/2017	1/30/2018	7344001	Financial Performance Manager	Y		56	P	1.00	A	\$ 85,746	\$ 36,580	Y	N	0		1

Positions Established by Acts other than the State Budget as of November 30, 2017

<u>Prog ID</u>	<u>Sub-Org</u>	<u>Date Established</u>	<u>Legal Authority</u>	<u>Position Number</u>	<u>Position Title</u>	<u>Exempt (Y/N)</u>	<u>SR Level</u>	<u>BU Code</u>	<u>T/P</u>	<u>MOF</u>	<u>FTE</u>	<u>Annual Salary</u>	<u>Filled (Y/N)</u>	<u>Occupied by 89 Day Hire (Y/N)</u>
EDN 612		1/5/2015		7345008	Pre-K Grant Manager	Y		56	T	N	1.0	75,000	Y	N
EDN 612		6/1/2016		7345010	Pre-K Coach	Y		56	T	N	1.0	70,000	Y	N
EDN 612		6/1/2016		7345011	Pre-K Specialist	Y		56	T	N	1.0	65,000	Y	N
EDN 612		5/1/2017		7345012	Pre-K Coach	Y		56	T	N	1.0	70,000	N	N

Department of Education- Charter Schools
Overtime Expenditure Summary

Table 13

				FY17 (actual)			FY18 (estimated)			FY19 (budgeted)		
<u>Prog ID</u>	<u>Sub-Org</u>	<u>Program Title</u>	<u>MOF</u>	<u>Base Salary</u> \$\$\$\$	<u>Overtime</u> \$\$\$\$	<u>Overtime</u> Percent	<u>Base Salary</u> \$\$\$\$	<u>Overtime</u> \$\$\$\$	<u>Overtime</u> Percent	<u>Base Salary</u> \$\$\$\$	<u>Overtime</u> \$\$\$\$	<u>Overtime</u> Percent
None												

Department of Education- Charter Schools
Active Contracts as of December 1, 2017

Table 14

Prog ID	MOF	Amount	Frequency (M/A/O)	Max Value	Outstanding Balance	Term of Contract			Entity	Contract Description	Explanation of How Contract is Monitored	POS Y/N	Category E/L/P/C/G/S
						Date Executed	From	To					
612	A	\$ 7,797	M	\$ 467,878.00	\$257,045.00	11/23/2015	9/1/2015	8/31/2020	1103, LLC.	Office space lease	Monthly review of invoices	N	L
612	A	\$ 864	M	\$ 51,840.00	\$ 28,512.00	7/13/2015	9/2/2015	8/31/2020	Xerox Corporation	Office copier lease	Monthly review of invoices	N	E
612	A	\$ 1,731	M	\$ 62,316.00	\$ 53,661.00	7/1/2017	7/1/2017	8/31/2020	Net Enterprises	On-going network support services	Monthly review of invoices	Y	S
612	A	\$ 7,200	O (Qtrly)	\$ 28,800.00	\$ 21,600.00	6/30/2017	7/1/2017	8/30/2020	Epicenter Services	Web-based work flow management tool for charter school monitoring and reporting	Monthly review of invoices	Y	S

Department of Education- Charter Schools
 Capital Improvements Program (CIP) Requests

Table 15

<u>Prog ID</u>	<u>Priority</u>	<u>Dept- Wide Priority</u>	<u>Senate District</u>	<u>Rep. District</u>	<u>Project Title</u>	<u>MOF</u>	<u>FY18 \$\$\$</u>	<u>FY19 \$\$\$</u>
None								

Department of Education- Charter Schools
CIP Lapses

Table 16

<u>Prog ID</u>	<u>Act/Year of Appropriation</u>	<u>Project Title</u>	<u>MOF</u>	<u>Lapse Amount</u> \$\$\$\$	<u>Reason</u>
None					

Department of Education- Charter Schools
Program ID Sub-Organizations

Table 17

<u>Program ID</u>	<u>Sub-Org Code</u>	<u>Name</u>	<u>Objective</u>
		None	

Department of Education- Charter Schools
Organization Changes

Table 18

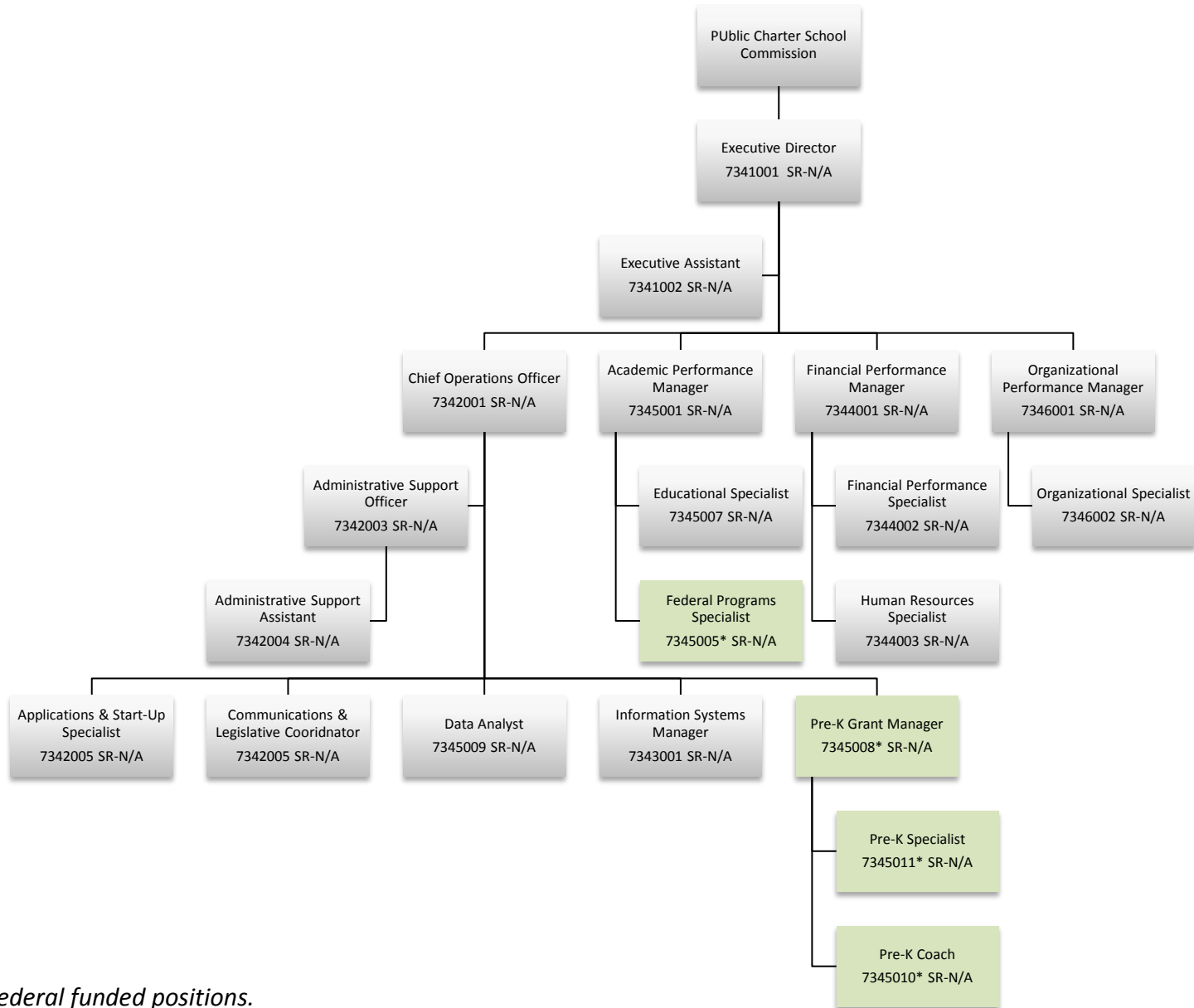
Year of Change

FY18/FY19

Description of Change

See attached

State Public Charter School Commission Organization Chart



**Federal funded positions.*

Department of Education- Charter Schools
 FY17 Appropriation Status

Table A

Act/YR	ProgID	Seq No.	Description	Comments	MOE	FY17 Appropriation			Amount used as of November 30			Comments
						Temp Pos.	Perm. Pos.	Amount	Temp Pos.	Perm. Pos.	Amount	
Not Applicable												

Department of Education- Charter Schools
 FY18 Appropriation Status

Table A

Act/YR	ProgID	Seq No.	Description	Comments	MOE	FY18 Appropriation			Amount used as of November 30			Comments
						Temp Pos.	Perm. Pos.	Amount	Temp Pos.	Perm. Pos.	Amount	
Not Applicable												

Department of Education- Charter Schools
Overpayments as of November 30, 2017

Table B

<u>Position Title</u>	<u>Date of Over-payment</u>	<u>Gross Amount Overpaid</u>	<u>Amount Recovered</u>	<u>Balance</u>	<u>Category</u>				<u>Reason for Overpayment</u>	<u>Referred to Attorney General</u>	<u>Department policy to recover overpayments</u>
					<u>Employed Occurred > 2 Years</u>	<u>Employed Occurred < 2 Years</u>	<u>Not Employed Occurred > 2 Years</u>	<u>Not Employed Occurred < 2 Years</u>			
None											

Department of Education- Charter Schools
 Incentive and Service Awards for FY16-18

Table C

<u>Position Title</u>	<u>Date of Award</u>	<u>Incentive Award Amount</u>	<u>Reason for Award</u>	<u>How many times has this person received this award?</u>	<u>Department policy/standards for giving awards</u>
Not Applicable					

Department of Education- Charter Schools
 Operational Expenditures FY15, FY16, FY17

Table D

<u>Prog ID</u>	<u>Sub-Org</u>	<u>FY</u>	<u>Description</u> (Salary, Utility, Supplies, Other)	<u>MOF</u>	<u>Budgeted Amount</u>	<u>Actual Amount</u>
See attachments taken from the Comission's annual audits						

Department of Education- Charter Schools
Hiring Schedule

Table E

<u>Prog ID</u>	<u>Sub-Org</u>	<u>Date of Vacancy</u>	<u>Date Position Filled</u>	<u>Expected Fill Date</u>	<u>Position Number</u>	<u>Position Title</u>	<u>Exempt (Y/N)</u>	<u>SR Level</u>	<u>BU Code</u>	<u>Perm Temp (P/T)</u>	<u>FTE</u>	<u>MOF</u>	<u>Budgeted Amount</u>	<u>Actual Salary Last Paid</u>	<u>Authority to Hire (Y/N)</u>	<u>Occupied by 89 Day Hire (Y/N)</u>	<u># of 89 Hire Appts</u>	<u>Describe if Filled by other Means</u>	<u>Priority # to Retain</u>
EDN612			7/25/2017		7344002	Financial Analyst	Y		6	T	1.0	A			Y	N	-	-	-

Department of Education- Charter Schools
Executive and Managerial Positions

Table F

<u>Prog ID</u>	<u>Sub-Org</u>	<u>Position Title</u>	<u>Position Justification</u>	<u>Budget Salary</u>	<u>Actual Salary</u>	<u>MOF</u>	<u>Pos (P) or (T)</u>	<u>Justification for salary increase</u>	<u>Years of Service in Position</u>
EDN612		Executive Director				A	P	Salary structure for commission staff is inconsistent with the pay scale for the Department of Education staff that perform similar job descriptions and duties for corresponding positions	\$ 2
EDN612		Chief Operations Officer			A	P	\$ 3		
EDN612		Financial Performance Manager			A	P	Vacant		
								Collective bargaining increases also account for salary increases	

STATE PUBLIC CHARTER SCHOOL COMMISSION
(An agency of the State of Hawaii)

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES (DEFICITS) – GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2015
(With Prior Year Comparative Information)

	Restricted Funds							2015	2014
	General	Title I	Title II	Title III	Impact Aid	SPED	Other		
REVENUES									
Administration fee to charter schools	\$ 967,558	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 967,558	\$ 1,235,363
Federal grant revenues	-	177,131	11,372	25,003	-	-	-	213,506	232,637
Other	55,150	-	-	-	-	-	-	55,150	13,690
State special salary funding	18,875	-	-	-	-	-	-	18,875	18,875
Total revenues	<u>1,041,583</u>	<u>177,131</u>	<u>11,372</u>	<u>25,003</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,255,089</u>	<u>1,500,565</u>
EXPENDITURES									
Payroll and related expenses	1,172,275	96,619	11,936	12,564	-	-	-	1,293,394	1,203,326
Special fund assessment	-	-	-	-	-	-	-	-	476,922
Professional services	134,976	45,026	-	2,111	-	-	-	182,113	216,893
Building leases	92,284	-	-	-	-	-	-	92,284	90,906
Travel	23,516	30,464	-	3,927	-	-	-	57,907	54,011
Capital outlay	-	-	-	-	-	-	-	-	12,678
Repairs and maintenance	12,529	-	-	-	-	-	-	12,529	12,033
Computer expenses	11,053	-	-	-	-	-	-	11,053	12,207
Supplies	5,605	326	-	4,633	-	-	-	10,564	9,210
Miscellaneous	2,917	1,813	(564)	326	-	-	-	4,492	4,511
Telecommunications	4,253	-	-	-	-	-	-	4,253	1,541
Meeting refreshments and meal	2,171	852	-	892	-	-	-	3,915	8,560
Dues and subscriptions	3,198	-	-	-	-	-	-	3,198	1,474
Printing and advertising	3,134	-	-	-	-	-	-	3,134	723
Postage	975	1,205	-	-	-	-	-	2,180	1,802
Professional development	1,800	-	-	-	-	-	-	1,800	7,219
Rental expenses	389	645	-	550	-	-	-	1,584	587
Equipment purchases	1,408	-	-	-	-	-	-	1,408	1,165
Utilities	455	181	-	-	-	-	-	636	373
Total expenditures	<u>1,472,938</u>	<u>177,131</u>	<u>11,372</u>	<u>25,003</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,686,444</u>	<u>2,116,141</u>
EXCESS OF EXPENDITURES OVER REVENUE	(431,355)	-	-	-	-	-	-	(431,355)	(615,576)

(Continued)

STATE PUBLIC CHARTER SCHOOL COMMISSION
(An agency of the State of Hawaii)

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES (DEFICITS) – GOVERNMENTAL FUNDS (Continued)**

**For the Year Ended June 30, 2015
(With Prior Year Comparative Information)**

	Restricted Funds							<u>2015</u>	<u>2014</u>
	<u>General</u>	<u>Title I</u>	<u>Title II</u>	<u>Title III</u>	Impact <u>Aid</u>	<u>SPED</u>	<u>Other</u>		
EXCESS OF EXPENDITURES OVER REVENUE	\$ (431,355)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (431,355)	\$ (615,576)
OTHER FINANCING SOURCES (USES)									
Transfers in	68,916,775	1,329,445	106,000	27,605	2,407,491	139,175	189,570	73,116,061	70,680,508
Transfers out	<u>(68,916,775)</u>	<u>(1,329,445)</u>	<u>(106,000)</u>	<u>(27,605)</u>	<u>(2,407,491)</u>	<u>(139,175)</u>	<u>(189,570)</u>	<u>(73,116,061)</u>	<u>(70,680,508)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(431,355)	-	-	-	-	-	-	(431,355)	(615,576)
FUND BALANCES, BEGINNING OF YEAR	<u>146,378</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>146,378</u>	<u>761,954</u>
FUND BALANCES (DEFICITS), END OF YEAR	<u>\$ (284,977)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (284,977)</u>	<u>\$ 146,378</u>

See accompanying notes to the financial statements.

STATE PUBLIC CHARTER SCHOOL COMMISSION
(An Agency of the State of Hawaii)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2016

FINANCIAL ANALYSIS OF THE COMMISSION AS A WHOLE (Continued)

Changes in the Commission's Net Position (Deficit)

	<u>2016</u>	<u>2015</u>	<u>Percentage Change PY-CY Change</u>
Revenues			
Commission funding	\$ 1,737,953	\$ 803,067	116%
Federal grants	297,758	377,996	-21%
Other income	296,641	74,026	301%
Total revenues	<u>2,332,352</u>	<u>1,255,089</u>	86%
Expenses			
Payroll and related expenses	1,263,117	1,321,817	-4%
Professional services	269,862	182,113	48%
Travel	99,080	57,907	71%
Building leases	95,949	92,284	4%
Miscellaneous	32,341	4,492	620%
Repairs and maintenance	19,714	12,529	57%
Capital outlay	14,936	25,528	-41%
Supplies	14,625	10,564	38%
Meeting refreshments and meals	14,183	3,915	262%
Telecommunications	9,548	4,253	125%
Professional development	9,473	1,800	426%
Rental expenses	8,743	1,584	452%
Dues and subscriptions	5,676	3,198	77%
Equipment purchases	5,065	1,408	260%
Computer expenses	2,974	11,053	-73%
Utilities	1,641	636	158%
Postage	614	2,180	-72%
Printing and advertising	25	3,134	-99%
Total expenses	<u>1,867,566</u>	<u>1,740,395</u>	7%
Transfers			
Transfers in	(81,186,368)	(73,116,061)	-11%
Transfers out	<u>81,186,368</u>	<u>73,116,061</u>	11%
Total transfers	-	-	0%
Change in net position (deficit)	464,786	(485,306)	196%
Net position (deficit) – beginning of year	<u>(367,592)</u>	<u>117,714</u>	-412%
Net position (deficit) – end of year	<u>\$ 97,194</u>	<u>\$ (367,592)</u>	126%

The narrative that follows considers the operations of the Commission's governmental activities.

STATE PUBLIC CHARTER SCHOOL COMMISSION
(An Agency of the State of Hawaii)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2017

FINANCIAL ANALYSIS OF THE COMMISSION AS A WHOLE (Continued)

Changes in the Commission's Net Position

	<u>2017</u>	<u>2016</u>	<u>Percentage Change</u> <u>2016-2017</u>
Revenues			
Commission funding	\$ 1,514,179	\$ 1,737,953	-13%
Federal grants	852,268	489,779	74%
Other income	<u>107,182</u>	<u>104,620</u>	<u>2%</u>
Total revenues	<u>2,473,629</u>	<u>2,332,352</u>	<u>6%</u>
Expenses			
Payroll and related expenses	1,576,448	1,263,117	25%
Professional services	359,006	269,862	33%
Travel	115,690	99,080	17%
Building leases	97,008	95,949	1%
Miscellaneous	58,173	32,341	80%
Rental	22,147	8,743	153%
Supplies	16,836	14,625	15%
Repairs and maintenance	16,694	19,714	-15%
Telecommunications	12,350	9,548	29%
Meeting refreshments and meals	11,269	14,183	-21%
Computer	9,169	2,974	208%
Capital outlay	7,896	14,936	-47%
Dues and subscriptions	7,074	5,676	25%
Utilities	6,717	1,641	309%
Professional development	6,298	9,473	-34%
Equipment purchases	2,891	5,065	-43%
Postage	952	614	55%
Printing and advertising	<u>15</u>	<u>25</u>	<u>-40%</u>
Total expenses	<u>2,326,633</u>	<u>1,867,566</u>	<u>25%</u>
Transfers			
Transfers in	85,334,320	81,183,181	5%
Transfers out	<u>(85,334,320)</u>	<u>(81,183,181)</u>	<u>-5%</u>
Total transfers	<u>-</u>	<u>-</u>	<u>0%</u>
Change in net position	146,996	464,786	68%
Net position (deficit) – beginning of year	<u>97,194</u>	<u>(367,592)</u>	<u>126%</u>
Net position – end of year	<u>\$ 244,190</u>	<u>\$ 97,194</u>	<u>151%</u>

The narrative that follows considers the operations of the Commission's governmental activities.