



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

**Senate Committee on Education**

Wednesday, March 13, 2019  
2:45 p.m.  
Hawaii State Capitol, Room 229

**House Bill 622, House Draft 2, Relating to Public Charter Schools**

Dear Chair Kidani, Vice Chair Kim, and Members of the Committee:

The Board of Education ("Board") would like to provide comments on HB 622 HD2, which would require authorizers to establish a purchase order system to pay charter school expenses, require charter schools to be subject to an annual financial audit, require authorizers to select the independent auditors that are to perform the audits on charter schools, and prohibit affiliations between Board or State Public Charter School Commission ("Commission") members and charter schools.

The Board supports legislation that requires charter school authorizers to hold charter schools accountable to academic, financial, and organizational outcomes, including compliance with applicable laws. To that end, the Board supports the intent of the provisions of this measure that require annual financial audits by independent auditors selected by the authorizer and that require charter school employees under federal investigation to inform the authorizer of the investigation.

However, the Board opposes legislation that increases charter school accountability at the expense of the operational autonomy necessary for charter schools to fulfill their missions and act as independent public schools. The provisions establishing a purchase order system and requiring authorizer approval for any charter school expenditures infringe upon the core autonomies charter schools need to be high-quality public schools and conflict with existing statute and national principles and standards for quality authorizing.

Section 302D-6, Hawaii Revised Statutes, states, in pertinent part, "All authorizers shall be required to follow nationally recognized principles and standards for quality charter authorizing in all major areas of authorizing responsibilities[.]" The mostly widely recognized national principles and standards for quality authorizing are the National Association of Charter School

Authorizers' *Principles & Standards for Quality Charter School Authorizing*,<sup>1</sup> which includes upholding school autonomy as one of its three core principles. This principle states, among other relevant things, that a quality authorizer “honors and preserves core autonomies crucial to school success” and “minimizes administrative and compliance burdens on schools.” The aforementioned provisions would prevent authorizers from meeting this principle and section 302D-6, HRS.

**Therefore, the Board respectfully requests that the Committee amend this measure by removing the provisions that establish a purchase order system for charter school expenditures and require authorizers to approve purchase orders before charter schools can expend funds.** Specifically, the Board requests the Committee to remove the proposed new statutory section entitled “Legislative appropriations; state treasury” under Section 1 of the measure (page 1, line 14 to page 2, line 2) and remove Section 3 from the measure (page 2, line 15 to page 4, line 17), which would amend section 302D-28, HRS.

The Board takes no position on the prohibition of affiliations between the Board, Commission, and charter schools, as it relates to the Board’s governance structure because the Board believes it is most appropriate for the Legislature and Governor to decide such matters. However, the Board would like to provide comments on this prohibition.

Quality policy-making and oversight requires experience and knowledge in the area being overseen. Charter school experience and knowledge gained while an employee, governing board member, vendor, contractor, agent, or representative gives members of the Board and Commission inside and in-depth knowledge of how schools and organizations work. Eliminating this knowledge from the Board and Commission potentially hinders the ability of these governing entities to effectively and efficiently oversee charter schools and charter school authorizers.

Moreover, as currently drafted, this bill could potentially result in the ineligibility of at least four current Board members and between four to eight Commission members, a great disruption that would not benefit our students.

The Board, like the Legislature and all policymaking bodies, has to make some hard decisions. Each member of the Board believes public education is one of the most important services the State provides, and we want what is best for our students. We leave the important task of determining the best way to govern our public education system to you and the Governor.

The Board’s position and comments on this measure are in regards to matters of public policy only, and the Board defers to the State Public Charter School Commission on operational and implementation matters affecting authorizers and to each charter school on operational and implementation matters affecting their respective schools.

---

<sup>1</sup> See the National Association of Charter School Authorizer’s *Principles & Standards for Quality Charter School Authorizing, 2018 Edition*, here: <https://www.qualitycharters.org/wp-content/uploads/2018/10/NACSA-Principles-and-Standards-2018-Edition.pdf>.

Thank you for this opportunity to testify on behalf of the Board.

Very truly yours,

Catherine Payne  
Chairperson, Board of Education  
Chairperson, 2019 Legislative Ad Hoc Committee

DAVID Y. IGE  
GOVERNOR



JOHN S.S. KIM  
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 622 HD2 RELATING TO PUBLIC CHARTER SCHOOLS  
DATE: March 13, 2019  
TIME: 2:45 P.M.  
COMMITTEE: Committee on Education  
ROOM: Conference Room 229  
FROM: Sione Thompson, Executive Director  
State Public Charter School Commission

---

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

The State Public Charter School Commission (“Commission”) appreciates the opportunity to submit this testimony with **COMMENTS on HB622 HD2**. The Commission is grateful for the intent of the bill to provide more accountability and transparency for state funds.

The bill’s requirement to establish a purchase order system to pay charter school expenses would require additional funding and additional personnel in order to develop, implement, and administer this system that would service all 37 charter schools in the State. Should the Legislature look to implement the purchase order system, the Commission would appreciate the opportunity to discuss the availability of additional funding and resources.

As an alternative to a purchase order system, the Commission proposes that authorizers should develop and administer a banking system that would require charter schools to conduct all transactions (to include both the receipt and expenditure of all state and federal funds) within banking accounts that include the authorizer as the recognized primary party on the account. This would allow the authorizer to administer both the state and federal funds allocated to the charter schools should financial mismanagement occur or if the charter school governing board is no longer a viable, functional entity.

Thank you for the opportunity to provide this testimony.



**HB622 HD2**  
**RELATING TO PUBLIC CHARTER SCHOOLS**  
Senate Committee on Education

March 13, 2019

2:45 p.m.

Room 229

The Office of Hawaiian Affairs (OHA) **OPPOSES** the provisions of HB622 HD2 that would: (i) require charter school authorizers to create a purchase order system to pay public charter school expenses; and (ii) prohibit any individual with former affiliations with a public charter school from serving on the State Board of Education (BOE) or the State Public Charter School Commission (Commission). **These provisions appear contrary to Hawai‘i’s public charter school laws upholding school autonomy, and would prohibit individuals with substantial hands-on knowledge, educational expertise, and practical experience from serving on the BOE and the Commission; accordingly, this measure may substantially inhibit and interfere with public charter schools’ mission of serving as innovation labs for Hawai‘i’s educational system as a whole.**

**First, OHA notes that the purchase order system mandates under this measure may conflict with state statutes upholding the autonomy of public charter schools, as called for under national guidelines.** Section 302D-6, Hawai‘i Revised Statutes (HRS), requires charter school authorizers to follow nationally recognized principles and standards for quality charter authorizing in all major areas of authorizing responsibilities. The National Association of Charter School Authorizers’ (NACSA) *Principles & Standards for Quality Charter School Authorizing*<sup>1</sup> are the most widely recognized national principles and standards for quality charter school authorizing, and include three core principles for authorizers: (i) maintain high standards for schools; (2) **uphold school autonomy**; and (iii) protect student and public interests. The principle relating to upholding school autonomy states, in relevant part, that a quality authorizer “honors and preserves core autonomies crucial to school success” and “minimizes administrative and compliance burdens” (emphases added). OHA respectfully submits that the purchase order system requirements in HB622 HD2 may significantly impair charter school autonomy through the unjustified oversight of nearly if not all charter school expenditures, including expenditures of per-pupil funds for basic operational costs, as well as the substantial administrative burdens likely to arise from such a purchase order system.

---

<sup>1</sup> See the National Association of Charter School Authorizers’ *Principles & Standards for Quality Charter School Authorizing, 2018 Edition*, here: <https://www.qualitycharters.org/wp-content/uploads/2018/10/NACSA-Principles-and-Standards-2018-Edition.pdf>

Notably, the Commission itself has expressed through testimony that establishing a purchase order system for all 37 public charter schools in the State would exceed its current capacity, and that such a system would minimally require additional funding and personnel to develop, implement, and administer. OHA has serious concerns that, should a purchase order system be required, foreseeable delays in funding will cause severe and irreparable hardship to our public charter schools and the students, families, and communities they serve, severely undermining their statutory autonomy through “administrative and compliance burdens.” Moreover, HRS section 302D-28.5 provides that in the event a public charter school is unable to pay its staff when payroll is due, the school shall be deemed to have surrendered its charter, automatically triggering school closure with no recourse. Accordingly, implementation of the purchase order system escalates the risk of school closure, because authorizers are required to approve the purchase order before the charter schools can expend funds.

OHA supports improved oversight and accountability, particularly as OHA has been a major funder of Hawai‘i’s public charter schools, having invested almost \$22 million in the seventeen Hawaiian culture-based or Hawaiian language immersion charter schools since FY 2005-2006. However, for the above stated reasons, the proposed purchase order system may go beyond what is necessary to improve oversight and accountability.

**OHA therefore respectfully urges the Committee to delete the following provisions regarding purchase order system requirements as possibly inconsistent with the school autonomy envisioned in state law as well as nationally recognized principles and standards for quality charter authorizing:**

- Requiring that any legislative appropriations to charter schools remain in the state treasury, until requested for disbursement pursuant to a new purchase order system (page one, lines 15 through page two, line 3); and
- Requiring authorizers to create a purchase order system to disburse public charter school funds, including per-pupil funds, and requiring authorizers to approve all charter school purchase order requests prior to disbursement (page 2, line 16 through page 4, line 17).

Second, OHA is concerned with Part II of this measure, which would disqualify any person affiliated with a public charter school as a previous or current public charter school employee, governing board member, vendor, contractor, agent, or representative, from being eligible for service on the State Board of Education (BOE) as well as the Commission. **Disqualifying such individuals – particularly those with previous public charter school affiliations -- would deprive the BOE and the Commission from the much needed first-hand knowledge, expertise, and practical experience they may possess.** Significantly, HRS Section 302D-3 explicitly requires that “[e]ach [Commission] nominee’s **record** should demonstrate a deep and abiding interest in education, and a dedication to the social, academic, and character development of young people through the administration of a **high performing charter school system;**” and that “[e]ach

**[Commission] nominee shall have an understanding of best practices in charter school educational governance or shall be willing to be trained in such”** (emphases added); provisions prohibiting those with any public charter school affiliation, and particularly those with previous affiliations, from serving on the Commission would significantly undermine these critical statutory mandates.

OHA notes that the BOE currently includes a former charter school governing board member, who brings extensive educational knowledge and expertise to the BOE, enabling it to meet its considerable responsibilities relating to statewide educational policy, student performance standards and assessment models, and overall school success, among others.<sup>2</sup> Similarly, several Commission members are former charter school administrators, faculty, and governing board members, who bring to the Commission comprehensive first-hand knowledge, expertise, and practical expertise about public charter schools. **As these members illustrate, precluding those with past public charter school affiliations from service on the BOE and the Commission may preclude those with the most relevant expertise and experience from helping the BOE and the Commission fulfill their respective roles in the education of our keiki.**

Accordingly, should the Committee choose to move this measure forward, OHA urges the Committee to make the following amendments, which would make currently affiliated members, as opposed to previously affiliated members, ineligible to serve:

Amending the language on page 5, line 20 through page 6, line 3 by striking “or previous” to read as follows:

“(3) If the person is affiliated with any public charter school. For the purposes of this paragraph, “affiliated” means attached or connected as a current employee, governing board member, vendor, contractor, agent, or representative.”

Amending the language on page 6, lines 9 through 12, by striking “or previous” to read as follows:

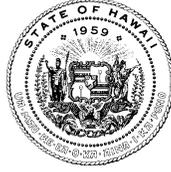
“For the purposes of this subsection, “affiliated” means attached or connected as a current employee, governing board member, vendor, contractor, agent, or representative.”

---

<sup>2</sup> Notably, these provisions may also conflict with the Governor’s constitutional authority under Article X, Section 2 of the State Constitution to nominate, and, with the advice and consent of the Senate, appoint members of the board of education.

OHA continues to be a strong supporter of Hawai'i's public charter schools, many of which provide a culturally-grounded education for Native Hawaiian and other children. 17 of the 37 public charter schools in Hawai'i are Hawaiian culture-based or Hawaiian language immersion schools, in which OHA has invested over \$18.6 million between FY 2005-2006 and FY 2016-2017. On October 19, 2017, the OHA Board of Trustees approved an additional \$3 million total to these charter schools for FY 2017-2018 and FY 2018-2019. OHA made this investment because research shows that Hawaiian students exposed to culturally-driven educational strategies have a stronger sense of socio-emotional well-being, deeper engagement with their schools, and a stronger commitment to civic activities in their community, factors which are directly tied to greater academic achievement.

Accordingly, OHA respectfully urges the Committee to **HOLD** this measure, or to adopt the deletions and amendments recommended above. Mahalo nui for the opportunity to testify on this measure.



**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

---

**COMMITTEE ON EDUCATION**

Senator Michelle N. Kidani, Chair  
Senator Donna Mercado Kim, Vice Chair

**TESTIMONY IN OPPOSITION TO H.B. 622 HD 2**

RELATING TO PUBLIC CHARTER SCHOOLS  
Wednesday, March 13, 2019, 2:45 PM  
Conference Room 229, Hawai'i State Capitol

Chair Kidani, Vice Chair Mercado-Kim, and Members of the Committee:

Kualapuu Public Conversion Charter School **OPPOSES HB 622** which would require authorizers to establish a purchase order system to pay charter school expenses.

We are in favor of charter schools being required to demonstrate sound fiscal practices, performance and legal compliance, accountability and transparency.

Our opposition to H.B. 622, H.D. 2 is over the requirement that all charter schools must make all purchases through a purchase order system to the authorizer. This requirement infringes on the autonomy and independence of Hawai'i's charter schools, imposes on charter schools an additional layer of bureaucracy, and has the real potential to impede and restrict school operations. The purchase order requirement of H.B. 622 is an unnecessary burden on the many charter schools operating successfully with sound fiscal practices and policies.

**As an alternative, we recommend the bill be amended to give the authorizer the discretion to impose a mandatory purchase order system only on those schools who have demonstrated a need for this added oversight.**

We also oppose Section 302D-8. This section states members of the charter school commission shall not be affiliated with any public charter school. Although the intent of this section is to prevent any conflict of interest, this section does not allow any true expertise or experience of commission members that might be able to assist with the Commission with charter school solutions or solutions to various issues. **We suggest that Section 302D-8 allow potential charter school commission members that have had affiliation and/or employment with a charter school to become commission members after a cooling off period of about 1-2 years.**

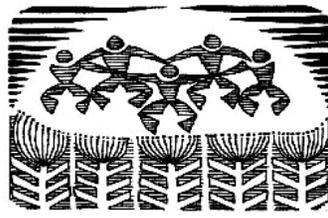
Kualapuu Public Conversion Charter School is supported by Ho‘okāko‘o our local school board established in 2002 with the mission to empower communities to develop high quality, student-centered, and sustainable Hawaiian-focused charter schools by providing exceptional educational support services, mutual accountability, and a culture of learning. Our children, most of whom are from low income families, deserve every opportunity that helps them succeed in school and in life.

Kualapuu Public Conversion Charter School **opposes H.B. 622** and respectfully requests that the Senate Committee on Education not pass H.B. 622 in its present form.

Thank you,



Lydia Trinidad  
Principal  
Kualapuu Public Conversion Charter School  
Kualapuu, Molokai



## The Volcano School of Arts & Sciences, PCS

PO Box 845, Volcano, Hawai'i 96785

Phone: (808) 985-9800 Fax: (808) 985-9898 [www.volcanoschool.net](http://www.volcanoschool.net)

March 11, 2019

Aloha Senator Kidani and members of the Senate Education Committee,

We are writing in strong opposition to HB 622. Although we fully support steps to protect the State from its liabilities, we believe that it is possible to more strategically and directly address risk through increased transparency without suppressing the growth and sustainment of charter schools. Centralized practices such as those delineated in HB 622 are contrary to the core principle that charter schools will retain autonomy from bureaucratic burdens and constraints in order to implement innovative practices and respond nimbly to the needs of our students.

Already in existence, the Charter School Financial Performance Framework developed by the State Public Charter School Commission serves as a viable tool to assess financial risk. The Financial Performance Framework includes stringent measures for assets to liabilities ratio, unrestricted cash days on hand, debt to asset ratio, cash flow, total margin, and budget variance. Schools that do not meet the rigorous criteria of the Financial Performance Framework are put on financial monitoring and must submit detailed monthly reports to the Charter School Commission. All charter schools are already required to submit quarterly financial reports to SPCSC and to conduct annual audits with qualified auditors. Schools are also required to submit annual budget and cash flow projections.

Implementation of the purchase order system described in HB 622 will result in a substantial barrier, which would prohibit many of us from our ability to operate effectively. Moreover, the State Public Charter School Commission does not have the capacity to administer the systems called for in HB 622.

We urge legislators not to stifle the entrepreneurial leadership that has served as a cornerstone of success for many charter schools. We urge legislators to identify strategies to provide transparency to enable State to protect itself from liabilities without suppressing the growth and sustainment of successful charter schools. We encourage legislators to engage the assistance of charter school leaders to identify more appropriate and effective strategies to mitigate risk and protect the State from liabilities rather than implementing cumbersome, centralized systems such as those described in HB 622.

Mahalo for your service and dedication to public education.

Kalima Kinney  
Principal



**UNIVERSITY LABORATORY SCHOOL**

A Hawai'i Public Charter School

1776 University Avenue UHS #3-121, Honolulu, Hawai'i 96822

Telephone (808) 956-7833 Fax Number (808) 956-7260

---

Senate Committee on Education  
Wednesday, March 13, 2019, 2:45pm  
Hawai'i State Capitol, Conference Room 229

Dear Chair Kidani, Vice Chair Kim, and Members of the Committee,

The Governing Board of the University Laboratory School (ULS) respectfully **OPPOSES** HB622, HD2, as currently drafted. Although we recognize the Legislature's role in strengthening compliance and financial accountability of charter schools, HB622, HD2 mandates the creation of an unfunded purchase order system that will disrupt the well-established procurement processes of ULS and other charter schools. This measure also imposes a number of new requirements on charter schools that, while appearing to be well-intentioned, are likely to result in many unintended consequences.

The purchase order system established under Section 3 of this bill will severely alter the operations of ULS, which already maintains its own formal procurement policy. An authorizer-operated, centralized purchase order system, as contemplated under this bill, is contrary to the fundamental autonomy that is the basis for charter schools. The additional costs to develop and maintain such a system will likely burden the State Public Charter School Commission (SPCSC) in fulfilling its other functions and will deter new authorizers, which now must factor in an additional operational cost under this bill.

The notification requirement in Section 1 of HB622, HD2 has the potential to impose criminal penalties on large numbers of innocent charter school employees and inundate authorizers with notifications. As drafted, the mere receipt of a written notification from a government agency of the existence of a criminal investigation or charge against any charter school employee would impose a duty to report the notification to the school's authorizer. This requirement would apply to any charter school employee, without regard to his or her position in the school or the nature of the written notification. This would require every employee to separately inform the school's authorizer each time they are copied to an email or letter from a government agency that references the same criminal investigation or charge, while imposing criminal penalties on those who do not, regardless of the reason.

A similar unintended consequence appears ripe in Part II, which restricts anyone who is "affiliated" with a charter school from serving on the Hawai'i Board of Education or SPCSC. The term "affiliated" is defined broadly, and would seem to apply to all charter school employees, governing board members, vendors, contractors, agents, or representatives, past or present. This new bill language singles out those with any past or current ties to charter schools and excludes their perspectives on these important decision-making bodies. This prohibition language is likely to have a chilling effect on charter school support by penalizing any potential employee, board member, vendor, contractor, agent, or representative who aspires to join either state board in the future.

For the reasons described above, we urge this Committee to **HOLD** this measure. Thank you for the opportunity to testify.

Sincerely,

Denise Yoshimori-Yamamoto  
ULS Governing Board Chair



**THE SENATE**  
**COMMITTEE ON EDUCATION**  
Senator Michelle N. Kidani, Chair  
Senator Donna Mercado Kim, Vice Chair

**TESTIMONY IN OPPOSITION TO H.B. 622, H.D.2**  
RELATING TO PUBLIC CHARTER SCHOOLS  
Wednesday, March 13, 2019, 2:45 PM  
Conference Room 229, Hawai'i State Capitol

Dear Chair Kidani, Vice Chair Kim, and Members of the Committee:

Ho'okako'o Corporation **OPPOSES H.B. 622, H.D. 2** requiring the establishment of a purchase order system to pay charter school expenses.

We are in favor of charter schools being required to demonstrate sound fiscal practices, performance and legal compliance, accountability and transparency.

Our opposition to H.B. 622, H.D. 2 is over the requirement that all charter schools must make all purchases through a purchase order system to the authorizer. This requirement infringes on the autonomy and independence of Hawai'i's charter schools, imposes on charter schools an additional layer of bureaucracy, and has the real potential to impede and restrict school operations. The purchase order requirement of H.B. 622 is an unnecessary burden on the many charter schools operating successfully with sound fiscal practices and policies.

As an alternative, we recommend the bill be amended to give the authorizer the discretion to impose a mandatory purchase order system only on those schools who have demonstrated a need for this added oversight.

Ho'okāko'o is a 501(c)(3) nonprofit educational organization established in 2002 with the mission to empower communities to develop high quality, student-centered, and sustainable Hawaiian-focused charter schools by providing exceptional educational support services, mutual accountability, and a culture of learning. Our children, most of whom are from low income families, deserve every opportunity that helps them succeed in school and in life.

Ho'okako'o opposes H.B. 622, H.D. 2 and respectfully requests that the Senate Committee on Education not pass H.B. 622 in its present form.

Thank you,

David Y. Gibson, Executive Director  
(808) 983-3835



# Kanu o ka 'Āina Learning 'Ōhana

Serving and perpetuating sustainable Hawaiian communities through Education with Aloha

March 11, 2019

Aloha Senators Kidani and Education Committee Members,

**STRONGLY OPPOSE HB622**

**Hearing 3-13-19 2:45pm Room 229**

As a 501(c)(3) native organization committed to serving and perpetuating sustainable Hawaiian communities through education, and as an advocate for charter schools since inception, KALO **strongly opposes HB622** for the following reasons:

1. Establishing a centralized purchase order system for 37 schools within an agency that does not have the capacity or resources to handle such a task is imprudent. Schools will suffer with the likelihood of not opening for school year 2019-20 due to no supplies, utilities shut off, and no food service all from lack of payment to vendors.
2. Requiring the authorizer to select the auditor for public charter schools creates a conflict of interest as the auditor should be independent and unbiased. This single sourcing also promotes price gouging. To date, Hawaii public charter schools have demonstrated greater accountability than any other state education system through an extensive financial framework. Charter schools have also funded the cost of these annual audits from their less than equal per pupil allocation.
3. Regulating the Board of Education and Charter Commission membership to individuals who have never been affiliated with a charter school is discriminatory. Charter schools are public entities as are Department of Education schools. If membership is restricted to "non-charter" affiliates than the equivalent of "non-DOE" affiliates must be proposed. Advocating for non-educators to serve in these memberships, where individuals are responsible for the academic health of schools, goes against national best practice.
4. Through the charter contract financial framework, schools are required to maintain sufficient days cash on hand to carry them into the subsequent school year. To meet this requirement, schools have established a reserve. HB622 mandates 10% of the annual per pupil allocation be additionally reserved. This action will greatly reduce the much needed educational services students are entitled to have each school year. Is it not enough that public charter school students have suffered with subpar financial support and inadequate facilities since 1999? Now to propose that their annual allotment be further restricted, please reconsider the consequence of this action.

Mahalo for the opportunity to testify.

Katie Benioni

**HB-622-HD-2**

Submitted on: 3/9/2019 1:45:01 PM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
LEIGH FITZGERALD	Testifying for HAWAII TECHNOLOGY ACADEMY	Oppose	No

Comments:

**HB-622-HD-2**

Submitted on: 3/9/2019 5:18:21 PM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Susan Osborne	Testifying for Kua O Ka La NCPCS	Oppose	No

Comments:

Aloha

We strongly oppose this bill.

The Charter Commission is not in a position to manage all the operational funding for 37 schools, nor is it what their function is. Is there funding attached to this bill for the many positions this would be required for the Commission? The Commission would also have to restructure its Financial Compliance measures in the middle of the contract term with the Charter Schools. Has the Charter Commission Strategic plan that was recently adopted been reviewed in light of this bill? Does this align with the strategic plan priorities and mission and vision?

We noted that the Board of Education is not in favor of this bill, nor is the Commission.

The schools would not be able to be responsive or timely to their needs. This bill seems to go against many of the pretenses of being a Charter School.

We do not understand why there would not be a Charter person or affiliate allowed on the Board of Education? Who else better understands the strengths and challenges on the ground that Charters face. The Board of Education is committed to providing excellence in education for our public school children and improving systems in order to achieve this. How can this happen without the voice of Charters? Are DOE educators not allowed to sit on the Board of Education? I think we want the broad representation of all the sectors on this most important Board.

We have no issue with having annual audits.

Thank you for not allowing this bill to go forward.

**HB-622-HD-2**

Submitted on: 3/10/2019 5:52:35 PM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Hedy L Sullivan	Testifying for Kula Aupuni Niihau A Kahelelani Aloha (KANAKA) PCS	Oppose	No

Comments:

Aloha Hawaii State Legislator:

KANAKA school firmly opposes any measure that proposes to presume the entity is guilty and must prove that it is innocent. Per our United States Constitution all entities are presumed innocent until proved guilty. Measure such as these are the reason the US entered into World War II to ensure that regimes could not trounce on human rights of freedom. The proposed measure severely limits educational freedom and the ability of Charter Schools to operate autonomously.

Mahalo nui loa for your consideration of our stance.



# KANU O KA 'ĀINA

New Century Public Charter School

Kauhale 'Ōiwi o Pu'ukapu  
64-1043 Hi'iaka Street  
Phone: 808 890-8144  
Fax: 808 890-8146  
P.O. Box 398 Kamuela, HI, 96743

March 9, 2019

Aloha Senators Kidani and Education Committee Members,

## **STRONGLY OPPOSE HB622**

**Hearing 3-12-19 2:45pm Room 229**

The charter school sector through the existing laws, administrative rules and contract have a robust system of accountability – far greater than any educational system in Hawaii public or private. I am happy to discuss and share any details about the Hawaii charter school accountability that you may have.

To support Charter School students, we must:

1. **Strengthen and maintain charter school autonomy and community control**
2. Increase funding equity for charter schools at the federal, state and local level
3. Ensure that charter school students have access to the same programs and educational opportunities as traditional public-school students, i.e., special education resources, transportation, food service, etc.
4. Increase charter school facilities access and equity
5. Improve charter school authorizing practices and measures of accountability with multiple authorizers

I am willing and available to share individual charter circumstances to clarify the current accountability as well as work on language to address the concerns driving this legislation. **The current draft of HB622 will cripple the sector and negatively impact students and staff.**

### **HB622 School Level Impacts:**

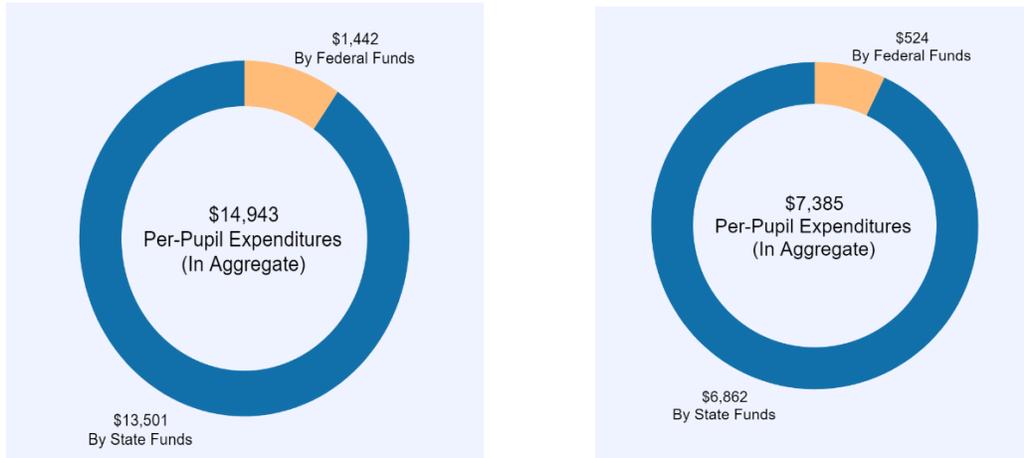
1. “Any notice of a federal investigation of a charter school employee within the scope of work not reported to the Authorizer in 5 days will be charged with a misdemeanor” – *undermines due process and the right to be innocent until proven guilty, additionally the charter school is a victim.*
2. “Charter school funds will no longer be removed from the Treasury under control of the Governing Boards; all funds will be requested through an Authorizer P.O. system.” Impacts of P.O. System
  - a. Charters are not a part of the State Venders system, and the Authorizer is not set up nor does it have the capacity to service 37 schools through a P.O. system. The Charter School Executive Director declared in February 2019, “it will take eight months for a school to get reimbursed for a box of pencils.”

**Kūlia i ka nu'u – Strive to reach your highest**

- b. Summer salaries for all staff begin July 1, 2019 – approximately 1000 charter staff members will not receive a paycheck.
  - c. All utility and vendor payments are on a cash system – we will not be able to pay the school utility bills, the internet or phone bill.
  - d. We will not be able to purchase curriculum timely; student and staff technology and equipment purchases begin July 1<sup>st</sup> annually. The school year 2019-2020 begins July 23, 2019, with a teacher retreat and students will be on campus the following week.
3. The last 10% of the allocation is not usable – a 10% reduction in the per-pupil allocation.

The federal law requires the following information be shared with the public -

<http://www.hawaiipublicschools.org/VisionForSuccess/AdvancingEducation/StriveHIPerformanceSystem/Pages/ESSA-dashboard.aspx>. The funding picture below excludes facilities CIP and debt service:



**2017-2018 Statewide Public Schools Expenditure Per Pupil \$14,943 vs. Kanu o ka Aina NCPSC \$7,385 - less an additional 10% \$6646.00.**

4. “Audits will be controlled by the Authorizer”, is a conflict of interest as they allocate the funds to schools.  
*As a practical matter, the Auditor’s assigned allocation function conflicts with it’s constitutional and statutorily assigned audit function. A clear conflict of interest would exist if at some time we are required to audit charter schools. In effect, we would be auditing our own allocations. (Higa, 2003)*
5. “No person who previously affiliated” (previous employee, GB member, vendor, contractor, agent, or representative) may serve on the BOE or Commission. This language may impact Pat Bergin and Kili Namau on the BOE and Sylvia Hussy, Makalapua Alancaster, Harold Barkhoff, Shannon Cleary, and Mitch D’Olier on the Commission. *The language appears very prejudicial, almost like a crime has been committed for publicly serving a charter school.*

HB622 Completely undermines the mission of community-driven charter education and national best practice.

Thank you for your time and service,

A handwritten signature in cursive script that reads "Taffi Wise".

Taffi Wise

February 7, 2019, BOE – General Business Meeting

“CHARTER SCHOOL POLICY POSITIONS The Board supports legislation that addresses charter school facilities needs as a longstanding and unresolved issue that the Board includes in its annual charter school report to the Legislature every year. The Board supports legislation that requires charter school authorizers to hold charter schools accountable to academic, financial, and organizational outcomes, including compliance with applicable laws. **However, the Board opposes legislation that does so at the expense of operational autonomy necessary for charter schools to fulfill their missions and act as independent public schools.**”

**HB-622-HD-2**

Submitted on: 3/11/2019 11:10:57 AM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Heather J McDaniel	Testifying for Connections Public Charter School	Oppose	No

Comments:

I am strongly opposed to HB622. It undermines the fundamental autonomy of charter schools, and complicates and confuses successful fiscal systems already in place. The spirit of the bill is inherently unsupportive and attempts to assure measures that can only be harmful to charters.

**HB-622-HD-2**

Submitted on: 3/11/2019 12:35:47 PM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Travis Prose	Testifying for Connections Public Charter School	Oppose	No

Comments:

**HB-622-HD-2**

Submitted on: 3/11/2019 10:46:54 AM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Shinji Salmoiraghi	Testifying for Connections PCS	Oppose	No

Comments:

I am from Connections PCS and I oppose this bill. It is mean spirited and discriminatory against charter schools.

**HB-622-HD-2**

Submitted on: 3/11/2019 11:11:03 AM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
William Boyd	Testifying for Connections PCS	Oppose	No

Comments:

This bill in my opinion is a discrimination against Charter Schools.

**HB-622-HD-2**

Submitted on: 3/11/2019 11:31:25 AM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Cheryl Gravela	Testifying for Connections PCS	Oppose	No

Comments:

I vehemently oppose this bill. It is blatantly discriminatory and detrimental to Charter Schools that work hard every day to educate the children of this state.

**HB-622-HD-2**

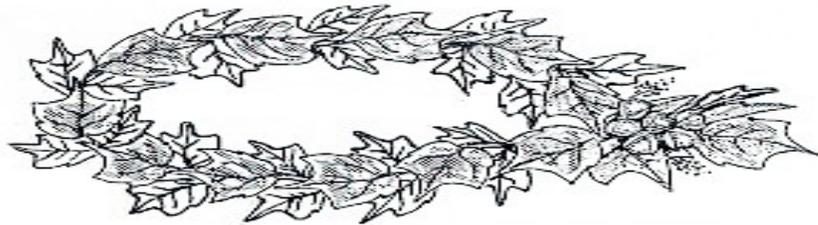
Submitted on: 3/11/2019 12:55:08 PM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Kari Giron	Testifying for Connections PCS	Oppose	No

Comments:

Our species is facing some huge challenges. The path forward is not clear. The traditional education model does not provide adequate space for creative-thinking, problem-solving, and authentic-learning. Charter schools are able to create programs that do fulfill those needs. These are the skills that are required in order for our species to make progress in improving our collective struggles. We all should be stepping back and taking an honest look at the bigger picture. We should all be acting with future generations in mind.



*'A'ole pau ka 'ike i ka hualau ko'okahi*

## **Connections Public Charter School**

*A Community, Business & Education Learning 'Ohana*

### **TESTIMONY IN STRONG OPPOSITION TO HB 622 HD2**

Chair Kidani, Vice Chair Mercado Kim, and members of the Senate Committee on Education:

Citizens of the United States are governed by the “rule of law,” not by individuals. Our Constitution is the supreme law of the land. All other laws must be consistent with the Constitution of our country. New laws that are not consistent with our Constitution can be challenged and declared unconstitutional. The fifth and fourteenth amendments of the Constitution guarantee “due process of law.” Orderly legal procedures must be followed to establish guilt before punishment is doled out. The section of HB 622 HD2 concerning federal investigations not only presumes guilt before an investigation of a charter school employee, it punishes a legally established school for the actions of one person... before he/she is found guilty!

While the new proposed language dealing with federal investigations, if passed, may affect a small portion of the charter school community, the section affecting legislative appropriations and mandatory use of purchase orders will send a tidal wave of confusion and strife throughout the entire system. All of the charter schools' contracts with the Commission will have to undergo major modifications. This would place a huge burden on the Commission's staff in itself. But to have to implement a brand new comprehensive financial management system added to this, will be overwhelming. The organizational viability of all charter schools and the Commission will be undermined. Where will the funding for the infrastructure needed to implement such a comprehensive system of financial micromanagement come from? Who will pay for the new staff that will be needed by the Commission?

This bill challenges the legally mandated autonomy of all of the charter schools. While the bills author may feel that charter schools have not been accountable, the real attack is on our autonomy. We would like to suggest that autonomy and accountability are not different forces that need to be balanced. They should tightly support each other. If the schools understand (and agree with) what we are accountable for, and we have a level of trust between us, we can work autonomously to ensure accountability. Without trust, autonomy cannot exist.

The key to a culture of autonomy and accountability is not just clear desired outcomes but structured expectations. Structured expectations can be linked with innovation. Autonomous vehicles are seen by most as a future oriented innovation. An autonomous vehicle must operate well within its overall environment. The car needs to follow the rules of the road and be predictable for other drivers. Autonomous doesn't mean being allowed to do anything. It means that we need to work well within a clearly defined environment. Autonomous vehicles will become more “trusted” as they become more common. The Commission and its portfolio of charter schools can build increasing levels of trust if we can both maintain transparency in our work and seek to understand the rules and expectations of our charter environment. Operating frameworks need to be strong enough to reinforce expectations but loose enough to allow autonomy.

The second amendment to HB 622 also added language that is blatantly discriminatory. It prohibits affiliations between any public charter school and members of the Charter School Commission and the Board of Education. The inequality created through this bill is a classic example of social stratification. Unfair treatment is directed against anyone associated with charter schools. Discrimination is often the outcome of prejudice. Prejudice leads people to view certain individuals or groups as inferior. Sociologists refer to those who are discriminating as the dominant group. Anyone associated with a charter school is marginalized by this bill. In our country, and most developed countries, each individual's civil rights include the right to be free from government sponsored social discrimination.

I urge you to kill this bill. Prejudice and discrimination are not part of the Aloha Spirit.

**HB-622-HD-2**

Submitted on: 3/11/2019 11:35:25 AM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Candy L Alvarado	Testifying for Connections PCS	Oppose	No

Comments:

I oppose this bill.

**HB-622-HD-2**

Submitted on: 3/12/2019 6:44:37 AM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
tammy Ramirez	Testifying for Connections PCS	Oppose	No

Comments:

**HB-622-HD-2**

Submitted on: 3/12/2019 1:05:06 PM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Romeo Garcia	Testifying for Connections PCS	Oppose	No

Comments:

**LATE**

**HB-622-HD-2**

Submitted on: 3/12/2019 4:14:36 PM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Pamela Thatcher	Testifying for Connections Public Charter School	Oppose	No

Comments:

I oppose HB622. I am a sixth-grade teacher at Connections Public Charter School, and this is my 36th year of teaching in Hawaii. Throughout the 18 years that Connections Public Charter School has been serving families on the Big Island, we have partnered with UH Manoa's Curriculum, Research, and Development Group on several innovative math and science projects. In addition to promoting innovation, we have also been fiscally responsible. This bill would restrict our ability to manage our finances on a day-to-day basis and would hinder innovation as a result. If charter schools are to be centers for innovation, this kind of control and red tape must not be allowed to happen. Please stop this bill from becoming a law.

**LATE**

**HB-622-HD-2**

Submitted on: 3/12/2019 3:45:44 PM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Linda Jackson	Testifying for Connections PCS	Oppose	No

Comments:

**LATE**

**HB-622-HD-2**

Submitted on: 3/12/2019 4:01:07 PM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
jamie hoopes	Testifying for Connections PCS	Oppose	No

Comments:

**LATE**

**HB-622-HD-2**

Submitted on: 3/12/2019 3:40:51 PM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Holly Sumida	Testifying for Connections PCS	Oppose	No

Comments:

**HB-622-HD-2**

Submitted on: 3/11/2019 11:50:35 AM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Xandria	Testifying for Charter School	Oppose	No

Comments:

**HB-622-HD-2**

Submitted on: 3/11/2019 11:50:40 AM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Megan	Testifying for Charter School	Oppose	No

Comments:

**HB-622-HD-2**

Submitted on: 3/11/2019 11:52:33 AM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Benson N Broyles	Testifying for Charter School	Oppose	No

Comments:

I oppose this bill because because I feel that this will hurt smaller schools in getting funded and I also believe that goes against our constitutional right of being innocent until proven guilty.

**HB-622-HD-2**

Submitted on: 3/11/2019 12:32:49 PM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
abigail Dominguez	Testifying for charter school	Oppose	No

Comments:

**HB-622-HD-2**

Submitted on: 3/11/2019 12:33:26 PM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
christina kanahele	Testifying for charter school	Oppose	No

Comments:

**HB-622-HD-2**

Submitted on: 3/11/2019 12:33:27 PM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Antonio.Damasco	Testifying for charterschool	Oppose	No

Comments:

**HB-622-HD-2**

Submitted on: 3/11/2019 1:46:08 PM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Laura Smith	Testifying for Kapolei Charter School	Oppose	No

Comments:

Comments:

Kapolei Charter School is opposed to HB 622, which "Requires authorizers to withhold public charter school funding for any school under federal investigation. Requires authorizers to establish a purchase order system to pay charter school expenses. Requires charter schools to be subject to an annual financial audit. Requires authorizers to select the independent auditors that are to perform the audits on public charter schools."

The manner in which this bill is written would effectively stop funds from any charter school for any type of federal investigation creating a situation of being considered guilty before an investigation is completed. By stopping a school's funding, this could cause a charter school to close unexpectedly creating a crisis for students, parents and the community.

We do not believe this is helpful in supporting the excellent work of our charter schools and urge the committee to defer this bill.

**HB-622-HD-2**

Submitted on: 3/11/2019 2:20:13 PM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Alani Morris	Testifying for KANAKA Public Charter School	Oppose	No

Comments:

**HB-622-HD-2**

Submitted on: 3/11/2019 2:20:14 PM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melanie	Testifying for kanakapubliccharterschool	Oppose	No

Comments:

**HB-622-HD-2**

Submitted on: 3/11/2019 11:51:21 AM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Ury Jumawan-Carvalho	Testifying for Kula Aupuni A Kahelelani Aloha Kanaka P.C.S	Oppose	No

Comments:

**HB-622-HD-2**

Submitted on: 3/11/2019 7:06:00 PM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Ivy Kelling	Testifying for Ke Kula o Samuel M Kamakau, LPCS	Oppose	No

Comments:



**Hālau Kū Māna**  
New Century Public Charter School

Before the Senate Committee on Education  
RE: **HB 622, HD2 - Relating to Public Charter Schools**

Wednesday, March 13, 2019 – 2:45PM  
Conference Room 229

Chair Kidani, Vice Chair Kim, and members of the Committee  
**IN OPPOSITION**

Hālau Kū Māna Public Charter school OPPOSES HB 622, HD2 which would amend Chapter 302D, Hawaii Revised Statute by:

- 1) Establishing new reporting requirements for charter schools
- 2) Establishing a purchase order system to pay for charter school expenses;
- 3) Requires the authorizer to select the independent auditor; and
- 4) Prohibit affiliation between the Board of Education or Charter School Commission members and charter schools

While I can understand the State's desire for additional layers of accountability this bill, if passed, will create unnecessary hardship for small schools, like Hālau Kū Māna. It is highly unrealistic to expect school leadership to request funding through a purchase order system, especially when the current and only authorizer does not have the capacity to carry out such a system. While the Hawaii State Department of Education is moving towards more school-level decision making and authority, the scale continues to be unfairly tipped in the other direction for the charter schools. Charter Schools ought to be autonomous, yet the current language in this bill places stricter and more stringent policies in place which, in my opinion, will adversely impact the quality of the educational programming our schools provide.

Hawaii public charter schools are already being subjected to inequitable funding. A requirement for an annual audit (approximately \$13,000/year) in lieu of a financial review should be additionally funded by the State to prevent placing an undue financial burden on the schools. Further, requiring that the authorizer select an auditor for all of the State's charter schools seems to be a bit of a conflict of interest. The selection of a qualified auditor should remain a school-level governance decision. As charters are held to these higher standards, I also welcome the same requirements for all public Department of Education schools and State agencies as a consistent measure across the State.

Newly added language in HD2 needs to be clarified as it appears that persons who have been previously affiliated with charter schools as employees, governing board members, vendor, contractor, agent or representative are made ineligible to be appointed or serve on the charter school commission. This is contrary to HRS, Section 302D-3 which outlines the minimum qualifications for commissioners (d).

For these reasons, we are opposed to HB 622, HD2 as it is currently written. I encourage and welcome dialogue between our government official, the State Public Charter School Commission, and most importantly school leaders to find agreements with regard to the issues that HB 622, HD 2 is seeking to address.

Mahalo nui,

Brandon Keoni Bunag, Ed.D.  
Po'ō Kumu (Principal)

**HB-622-HD-2**

Submitted on: 3/11/2019 9:20:53 PM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jennifer Hiro	Testifying for Innovations Public Charter School	Oppose	No

Comments:

Please do not support the requirement to have the Hawaii Charter School Commission require purchases to be made through the state purchase order system. The Commission does not have the capacity to take on this role, it should not be required to monitor charter school spending at the level of approving every purchase order that needs to be issued - it can barely handle the work load of maintaining charter contracts, renewal, issuing of new charters and the tremendous amount of accountability required of all charter schools - much more than any other state entity. Establishing a purchase order system would significantly limit the schools ability to be resourceful with funds to acquire instructional materials, resources and tools in a timely, efficient and in most cases a much more affordable manner than the state vendor system allows. Charter schools have been held to a high level of fiscal accountability - while there may be a few instances where guidance is needed to meet compliance requirements, the majority of charter schools (as it is in any entity within the state) have been extremely accountable, transparent and significantly more frugal than other agencies - we are already required to do annual audits at a great cost to the schools which should be sufficient in making our fiscal management transparent, accessible and to compliance. This bill is unnecessary, redundant and would significantly harmful to charter schools operations.



## WAIMEA MIDDLE SCHOOL

*"Empowering all students with the skills, values and cultural understanding to successfully navigate high school and beyond."*

**A WASC-Accredited Public Conversion Charter School – 2014-2020**

67-1229 MAMALAHOA HIGHWAY \* KAMUELA, HAWAII 96743

March 12, 2019

**TO: Hawai'i State Senate Committee On Education**

Senator Michelle N. Kidani, Chair

Senator Donna Mercado Kim, Vice Chair

Committee Members

**HEARING: Wednesday, March 13, 2019 – 2:45 p.m. – Conference Room 229**

**RE: STRONGLY OPPOSE HB622 HD2 – Please defer action  
RELATING TO PUBLIC CHARTER SCHOOLS**

Thank you for this opportunity to convey concerns about **HB622**. We appreciate the Legislature's desire to provide all Hawai'i public school children a good educational foundation and also, to ensure public funds are appropriately spent.

Hawai'i's public charter school commission and the BOE have, in response to legislative and community expectations, significantly tightened up on the (1) academic, (2) operational and (3) fiscal management of public charter schools over the past three years. Each of us has executed contracts responding to these controls and monitoring is ongoing. If anything, oversight is significantly more stringent, while resource allocation is very modest per child.

We sincerely hope that the Legislature recognizes that most public charter schools have been responsible administrators of public funds and educational policy for thousands of island children, and this is now rigorously enforced and monitored by the public charter school commission – at the Legislature's direction -- in order to receive or renew our charter contract.

We do not shy away from transparency and accountability. As one of the state's first public conversion charter schools, we are proud of our 16-year record of financial accountability and "clean" audits. In the beginning, for our school to do an audit was "the exception," now it's required of all public charter schools by charter contract.

There are several areas of grave concern in HB622 HD2, most notably, Section 3 requiring authorizers to establish a purchase order system to pay public charter school expenses. The public charter commission's testimony on this bill states: *"The establishment and operations of a purchase order system would require additional funding and additional personnel in order to develop, implement, and administer this system that would service all 37 charter schools in the State."*

This is an understatement. We have deep respect for the detailed work the commission and staff have done over the past three years - as mandated by the Legislature - with implementing and monitoring significantly more rigorous charter contract requirements, and then enforcing these commitments. However, a purchase order system, as proposed in HB622 for 37 schools, would be

**STRONGLY OPPOSE HB622 HD2 – *Please defer action*  
RELATING TO PUBLIC CHARTER SCHOOLS**

a monumental undertaking. The delays a purchase order system would precipitate would be harmful, when, in fact, such a system is not needed or warranted. We also fear the added cost would be funded by lowering our already modest per pupil allocation.

Due to the extremely cumbersome nature of a purchase order system for 37 individual schools, timely payment of bills, including payroll, utilities, transportation, supplies, etc., would most likely become very delayed, thereby incurring late fees or termination of programs, services or supplies and equipment. It would also eliminate the independent oversight of a school's governing board.

Therefore, imposition of a purchase order system is tantamount to forcing school closure due to extremely slow bill payment, when, in fact, the school is very likely in good standing academically, operationally and fiscally.

Further regarding Section 3: There have been verbal assurances made - even on the floor of the State House - that the proposed purchase order system would only apply to public charters "under federal investigation," however there is no language in the bill saying this.

Section 1: While we agree that, should an investigation be declared, the Commission should be notified, it's important to note that an investigation does not necessarily apply specifically to those handling school funds. It could be related to civil rights or other issues involving school personnel who have nothing to do with handling of a school's financial resources.

Further, forcing a school into a purchase order system based on an investigation (not findings of fact) is a violation of due process. Yes, protective measures are warranted if the investigation involves school finances, but it is overreach if the investigation involves other issues – when other interim protective remedies may be more warranted.

More re: Section 3: Withholding 10% of a public charter school's allocation effectively reduces the school's per pupil allocation and would, based on language of this draft bill, be automatically imposed regardless of the school's demonstrated financial accountability and practices, which are now consistently monitored by the Commission. Effectively reducing per pupil funding by 10% is not fair to our children and families and further erodes each school's ability to deliver on its mission and obligation.

Part II/Section 5: Re: Board of Education eligibility – there is no evidence that prior affiliation with a public charter school warrants denial of eligibility for appointment to the BOE. Automatic denial of eligibility is tantamount to saying an individual with a respected career in a DOE public school should automatically be ineligible to serve on the BOE. Further, when developing public policy and monitoring of public charter school progress, we believe prior experience with, and understanding of public charter schools would benefit the BOE in providing appropriate oversight.

Likewise, there is no evidence that prior affiliation with a public charter school warrants denial of eligibility to serve on the public charter school commission based on potential "conflict of interest."

We do agree that an employee, trustee, agent, or representative of an authorizer should not simultaneously serve as an employee, etc., of a public charter school authorized by that authorizer.

**We thank the Senate for considering these factors and urge that HB622 HD2 be deferred.**

**STRONGLY OPPOSE HB622 HD2 – *Please defer action*  
RELATING TO PUBLIC CHARTER SCHOOLS**

As an individual school, we are always open to detailed discussion of our academic programs and services, as well as our operational and financial status and records. We welcome these discussions because, just as with every other public school in the state (and country), we struggle to provide the supports our children need, especially those from families grappling with serious poverty, skyrocketing cost of living and/or learning challenges.

We are proud of our teachers' and staff's commitment to raising the bar for all children.

Mahalo for your consideration.

**Janice English**  
Principal

**Pat Rice**  
Grants Manager

**Patti Cook**  
Development Director

[www.WaimeaMiddleSchool.org](http://www.WaimeaMiddleSchool.org)



## WAIMEA MIDDLE SCHOOL

*"Empowering all students with the skills, values and cultural understanding to successfully navigate high school and beyond."*

**A WASC-Accredited Public Conversion Charter School – 2014-2020**

67-1229 MAMALAHOA HIGHWAY \* KAMUELA, HAWAII 96743

March 12, 2019

**TO: Hawai'i State Senate Committee On Education**

Senator Michelle N. Kidani, Chair

Senator Donna Mercado Kim, Vice Chair

Committee Members

**HEARING: Wednesday, March 13, 2019 – 2:45 p.m. – Conference Room 229**

**RE: STRONGLY OPPOSE HB622 HD2 – Please defer action  
RELATING TO PUBLIC CHARTER SCHOOLS**

Thank you for this opportunity to convey concerns about **HB622**. We appreciate the Legislature's desire to provide all Hawai'i public school children a good educational foundation and also, to ensure public funds are appropriately spent.

Hawai'i's public charter school commission and the BOE have, in response to legislative and community expectations, significantly tightened up on the (1) academic, (2) operational and (3) fiscal management of public charter schools over the past three years. Each of us has executed contracts responding to these controls and monitoring is ongoing. If anything, oversight is significantly more stringent, while resource allocation is very modest per child.

We sincerely hope that the Legislature recognizes that most public charter schools have been responsible administrators of public funds and educational policy for thousands of island children, and this is now rigorously enforced and monitored by the public charter school commission – at the Legislature's direction -- in order to receive or renew our charter contract.

We do not shy away from transparency and accountability. As one of the state's first public conversion charter schools, we are proud of our 16-year record of financial accountability and "clean" audits. In the beginning, for our school to do an audit was "the exception," now it's required of all public charter schools by charter contract.

There are several areas of grave concern in HB622 HD2, most notably, Section 3 requiring authorizers to establish a purchase order system to pay public charter school expenses. The public charter commission's testimony on this bill states: *"The establishment and operations of a purchase order system would require additional funding and additional personnel in order to develop, implement, and administer this system that would service all 37 charter schools in the State."*

This is an understatement. We have deep respect for the detailed work the commission and staff have done over the past three years - as mandated by the Legislature - with implementing and monitoring significantly more rigorous charter contract requirements, and then enforcing these commitments. However, a purchase order system, as proposed in HB622 for 37 schools, would be

**STRONGLY OPPOSE HB622 HD2 – *Please defer action***  
**RELATING TO PUBLIC CHARTER SCHOOLS**

a monumental undertaking. The delays a purchase order system would precipitate would be harmful, when, in fact, such a system is not needed or warranted. We also fear the added cost would be funded by lowering our already modest per pupil allocation.

Due to the extremely cumbersome nature of a purchase order system for 37 individual schools, timely payment of bills, including payroll, utilities, transportation, supplies, etc., would most likely become very delayed, thereby incurring late fees or termination of programs, services or supplies and equipment. It would also eliminate the independent oversight of a school's governing board.

Therefore, imposition of a purchase order system is tantamount to forcing school closure due to extremely slow bill payment, when, in fact, the school is very likely in good standing academically, operationally and fiscally.

Further regarding Section 3: There have been verbal assurances made - even on the floor of the State House - that the proposed purchase order system would only apply to public charters "under federal investigation," however there is no language in the bill saying this.

Section 1: While we agree that, should an investigation be declared, the Commission should be notified, it's important to note that an investigation does not necessarily apply specifically to those handling school funds. It could be related to civil rights or other issues involving school personnel who have nothing to do with handling of a school's financial resources.

Further, forcing a school into a purchase order system based on an investigation (not findings of fact) is a violation of due process. Yes, protective measures are warranted if the investigation involves school finances, but it is overreach if the investigation involves other issues – when other interim protective remedies may be more warranted.

More re: Section 3: Withholding 10% of a public charter school's allocation effectively reduces the school's per pupil allocation and would, based on language of this draft bill, be automatically imposed regardless of the school's demonstrated financial accountability and practices, which are now consistently monitored by the Commission. Effectively reducing per pupil funding by 10% is not fair to our children and families and further erodes each school's ability to deliver on its mission and obligation.

Part II/Section 5: Re: Board of Education eligibility – there is no evidence that prior affiliation with a public charter school warrants denial of eligibility for appointment to the BOE. Automatic denial of eligibility is tantamount to saying an individual with a respected career in a DOE public school should automatically be ineligible to serve on the BOE. Further, when developing public policy and monitoring of public charter school progress, we believe prior experience with, and understanding of public charter schools would benefit the BOE in providing appropriate oversight.

Likewise, there is no evidence that prior affiliation with a public charter school warrants denial of eligibility to serve on the public charter school commission based on potential "conflict of interest."

We do agree that an employee, trustee, agent, or representative of an authorizer should not simultaneously serve as an employee, etc., of a public charter school authorized by that authorizer.

**We thank the Senate for considering these factors and urge that HB622 HD2 be deferred.**

**STRONGLY OPPOSE HB622 HD2 – *Please defer action*  
RELATING TO PUBLIC CHARTER SCHOOLS**

As an individual school, we are always open to detailed discussion of our academic programs and services, as well as our operational and financial status and records. We welcome these discussions because, just as with every other public school in the state (and country), we struggle to provide the supports our children need, especially those from families grappling with serious poverty, skyrocketing cost of living and/or learning challenges.

We are proud of our teachers' and staff's commitment to raising the bar for all children.

Mahalo for your consideration.

**Janice English**  
Principal

**Pat Rice**  
Grants Manager

**Patti Cook**  
Development Director

[www.WaimeaMiddleSchool.org](http://www.WaimeaMiddleSchool.org)

**LATE**

**HB-622-HD-2**

Submitted on: 3/12/2019 7:46:07 PM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Andrea Quinn	Individual	Support	No

Comments:

Dear Honorable Committee Members:

Please support HB622. If charter schools are receiving public funding there is no reason they should be immune to auditing and accountable for taxpayer funds received.

Thank you for your time.

Andrea Quinn

Kihei

**HB-622-HD-2**

Submitted on: 3/11/2019 9:45:01 AM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Nancy Levenson	Individual	Oppose	No

Comments:

I strongly oppose HB622.

**HB-622-HD-2**

Submitted on: 3/11/2019 9:53:38 AM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Holli Shiro	Individual	Oppose	No

Comments:

As a parent of charter school students, I am opposed HB622 HD2 and urge this committee to reject this legislation. Adding further bureaucracy to the management of charter schools via a PO system will hinder their ability to meet students needs in the way they best see fit.

Holli Shiro

Volcano, HI

**HB-622-HD-2**

Submitted on: 3/11/2019 10:00:45 AM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Stephany Cecil	Individual	Oppose	No

Comments:

I strongly oppose any measures that create obstacles for charter school operations. Keep charter schools' autonomy! They do important work for our communities!

**HB-622-HD-2**

Submitted on: 3/11/2019 10:21:51 AM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Janie McQueen	Testifying for Volcano Schools of Arts and Sciences	Oppose	No

Comments:

Dear State Representatives:

As parents, HB622 seems to us an unnecessary, potentially harmful bill that directly opposes what charter schools set out to do. Schools such as Volcano School of Arts and Sciences already strive to meet and improve accountability. They submit proof and demonstrate success within a rigid framework, and manage to run the school frugally and creatively under it -- which is exactly what a charter school needs to do. VSAS shouldn't be further crippled by measures that basically seek to make it operate more like any other school, without the resources other public schools have. VSAS is a charter school for a reason.

What would "additional" reporting show, except to spend valuable resources and time to report the same information in different ways?

This measure also might unintentionally punish schools who follow the existing requirements to the letter. Why not use the energy to help those that might have had problems following them? Transparency is one thing, but embattling schools that are already seeking to find ways to improve efficiency and student success rates, and seek cooperation from the state, just seems unnecessary and destructive.

Please consider carefully the info presented to oppose this measure, and perhaps seek to find a way to help individual schools improve their accountability where needed.

Sincerely yours,

Janie and Josh McQueen

Parents of Sophia and John McQueen, students at Volcano School of Arts and Sciences

Volcano, Hawaii



**HB-622-HD-2**

Submitted on: 3/11/2019 11:15:18 AM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Erika Boyd	Individual	Oppose	No

Comments:

**HB-622-HD-2**

Submitted on: 3/11/2019 11:17:04 AM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Emilio Hagmoc	Individual	Oppose	No

Comments:

**HB-622-HD-2**

Submitted on: 3/11/2019 11:29:17 AM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Heidi Kanahale	Individual	Oppose	No

Comments:

**HB-622-HD-2**

Submitted on: 3/11/2019 12:14:37 PM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Judith Moniz	Individual	Oppose	No

Comments:

**HB-622-HD-2**

Submitted on: 3/11/2019 12:34:51 PM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
caleb kaipoaloha kanahele	Individual	Oppose	No

Comments:

**HB-622-HD-2**

Submitted on: 3/11/2019 12:35:23 PM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Ipolei Pestano	Individual	Oppose	No

Comments:

**HB-622-HD-2**

Submitted on: 3/12/2019 11:49:02 AM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Rachel Silverman	Individual	Oppose	No

Comments:

I believe that this bill would negatively impact students and staff at our beloved Public Charter School system in Hawaii. The bill will require a 10% hold on funding which would result in a 10% reduction in the already reduced per-pupil funding charters receive. The charter school commission does not have the capability of taking on this additional control which would mean delays and frustration. This proposed change would significantly impact our ability to use the best prices and access to supplies, materials and instructional tools that have allowed us to be resourceful, fiscally responsible and frugal. Charter schools are not part of the state vendors system, this requirement would require charters to use the vendor system, which we do not have access to. I am not understanding the purpose of this bill, it seems like another hoop for charter schools to jump through even though they currently do more with less money than the regular public school system. This is just a way for the Honolulu based DOE to exert pressure on Charters that have more local control. This is purely punitive to a group of people that are trying to give students a unique and specialized education experience. I oppose this bill and would like to express that to the Hawaii Legislature.

**HB-622-HD-2**

Submitted on: 3/12/2019 12:55:28 PM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Marion K A Kapuniai	Individual	Comments	No

Comments:

A. **I Support** Federal Investigations:

**B. I OPPOSE THE FOLLOWING SUGGESTED ADDITIONS TO 302-D on the basis of lack of presentation in the bill of any concrete and factual evidence to justify such oppressive and punitive laws, without "due process". The Charter School Commission is able enough to request accountability per the Financial Framework in the Charter Schools Contracts.**

**1) LEGISLATIVE APPROPRIATIONS: STATE TREASURY. 2) ANNUAL AUDIT.**

**C. I OPPOSE THE RECOMMENDED LIMITATIONS ON MEMBERSHIP OF THE BOARD OF EDUCATION AND CHARTER SCHOOL COMMISSION. Eliminating the very people who can provide insight to any discussion on charter school, as well all other public school education issues, progams, and allocations for Federal Funding, is manipulative and discriminatory.**

Thank you, very much!

**M Kapuniai**

**LATE**

**HB-622-HD-2**

Submitted on: 3/13/2019 5:29:47 PM

Testimony for EDU on 3/13/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Dr. Robert Fox	Individual	Oppose	No

Comments:

The proposed legislation contains several essentially unrelated parts that fall largely into three categories: school employees under federal investigation, charter school purchasing processes, and conflicts of interest. I tend to be sympathetic to the first and third of these and write to speak against the proposed nucleation of charter school purchasing practices. The concept of making all charter schools adopt a uniform purchasing process is contrary to the fundamental idea of independent charter schools and presents particular problems in our multi-island community. We don't want to create a mini-BOE for charter schools which supervises all activities. Creating charter schools is *antithetical* to such a concentrated approach.

Nothing in the present Charter School Commission setup suggests that the Commission currently possesses the expertise to carry out this function and the concept just perpetuates Hawaii's unique penchant for central control over its educational efforts. Hawaii is, as you know, the only state in the country with a central DOE and Hawaii's charter schools were an effort to de-centralize things. A review of recent legislative history relating to charter schools will show a continuing pattern of annual lessening of charter school autonomy. More than ten years ago, I wrote a paper calling attention to the Hawaii legislature's proclivity for tweaking the state charter school law (Fox, R.A. and Buchanan, N.K., (2007), A Charter School Law in Transition, School Choice and the Law, special issue of the *Journal of School Choice*, Volume 1, Number 3, (2007)) and the last decade has seen a continuing pattern.

Please leave the charter schools alone.

Dr. Robert Fox, Professor Emeritus, University of Hawaii

Editor:

**The Wiley Handbook of School Choice, John Wiley and Sons (2017)**

**Proud to the Different: Ethnocentric Niche Charter Schools, Rowman & Littlefield (2014)**