

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: HCR 3 HD1 Requesting the State Public Charter School Commission to Report on the Criteria Developed and Prioritization Advised for Charter School Facilities Funding Pursuant to Section 302D-29.5, Hawaii Revised Statutes

DATE: March 18, 2019

TIME: 2:00 P.M.

COMMITTEE: Committee on Lower and Higher Education

ROOM: Conference Room 309

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

Chair Woodson, Vice Chair Hashem, Vice Chair Perusso, and members of the Committee:

The State Public Charter School Commission (“Commission”) appreciates the opportunity to submit this testimony with **COMMENTS on HCR 3**.

The Commission transmitted the report from the Facilities Funding Working Group, as requested by Act 234, 2015 Session Laws of Hawaii, on March 11, 2019 to the Legislature. This report is available on the Commission’s website at <https://www.chartercommission.hawaii.gov/reports>.

Should the committee move this resolution forward, the Commission would request the resolution be amended to exclude items that have already been completed by the Facilities Funding Working Group and the Commission.

Thank you for the opportunity to provide this testimony.



HCR 3

REQUESTING THE STATE PUBLIC CHARTER SCHOOL COMMISSION TO REPORT ON THE CRITERIA DEVELOPED AND PRIORITIZATION ADVISED FOR CHARTER SCHOOL FACILITIES FUNDING PURSUANT TO SECTION 302D-29.5, HAWAI'I REVISED STATUTES

House Committee on Lower & Higher Education

March 18, 2019

2:00 p.m.

Room 309

The Office of Hawaiian Affairs (OHA) **STRONGLY SUPPORTS HCR3**, a measure in OHA's Legislative Package. This resolution requests the State Public Charter School Commission (Commission) to provide a report on the criteria and prioritization for charter school facilities funding required under Hawai'i Revised Statutes (HRS) §302D-29.5, along with any proposed legislation and other recommendations, to the 2020 Legislature. **Such a report would serve as a critical foundation upon which the Legislature may ensure that public charter schools are and continue to be provided with the law's envisioned facilities funding relief.** In light of recent developments relevant to the facilities funding criteria and prioritization described under this resolution and HRS § 302D-29.5, OHA offers suggested amendments to provide the 2020 legislature with additional, updated information regarding the Commission's efforts to meet the facilities funding needs of our public charter schools.

Hawai'i's public charter schools provide unique and valuable educational opportunities for their students, and in doing so serve as "innovation labs" for system-wide improvement. For example, our public charter school system has provided Hawaiian cultural and language education leaders the opportunity to design and operate schools more responsive and attuned to the needs of Native Hawaiian students and families, including through educational curricula grounded in Hawaiian cultural values, concepts, and language; nearly half of our 37 public charter schools are now Hawaiian-focused or Hawaiian language immersion schools. Notably, research shows that such culture-based educational approaches positively influence key student outcomes, such as increased community connections and cultural relationships, greater self-efficacy and sense of belonging, and increased college aspirations. Most recently, some public charter schools have also outperformed the state average in areas such as on-time graduation rates, college matriculation rates, and reduced chronic absenteeism, as reflected in the latest Strive HI SY 2017-2018 performance scores; lessons learned in such charter schools can benefit students and schools throughout our public education system. Such successful outcomes reaffirm the Board of Education's (BOE's) recognition of the importance of our public charter schools to the overall public school system, through their demonstrated potential to help advance the state's educational standards.

OHA continues to be an active partner and advocate of Hawai'i public charter schools, many of which provide a culturally-grounded education for Native Hawaiian and other children. Seventeen of the 37 public charter schools in Hawai'i are Hawaiian culture-based or Hawaiian language immersion schools, of which OHA has invested over \$18.6 million between FY 2005-2006 and FY 2016-2017. Notably, on October 19, 2017, the OHA Board of Trustees approved providing an additional \$3 million total to these charter schools for FY 2017-2018 and FY 2018-2019. OHA has made this investment because research validates 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 higher academic achievement.

Unfortunately, public charter schools have long been forced to apportion their already overstretched per-pupil operational funds to pay for their school facilities lease, rent, maintenance, and associated needs, thereby inhibiting the realization of their full potential for their students and as innovation labs for Hawai'i's public school system as a whole. Such facilities-associated costs are not borne by Department of Education (DOE) schools which already have their own facilities and state-funded maintenance support. The BOE itself has recognized the longstanding need to address this funding disparity, and its most recent 2018 report "recommends that the Legislature provide some form of facilities funding to charter schools to address this unmet [facilities funding] need."¹

To address the facilities funding disparity, an existing statute, HRS § 302D-29.5, envisions legislative appropriations and bond authorizations for charter school facilities, with funds distributed pursuant to criteria developed by the Commission and as prioritized by a Charter School Facilities Funding Working Group. However, in the four years since its enactment, no facilities funding has been provided, and the funding distribution criteria and prioritization envisioned under the statute were not finalized until this legislative session.

OHA does appreciate the recent submission of the Commission's *Report on Facilities Funding Workgroup Recommendations* to the Senate President and House Speaker, with copies to the Senate and House education committee chairs.² OHA also greatly appreciates the support for charter school facilities funding reflected in HB1526, which proposes an appropriation for facilities funding, and HB246, which also appropriates facilities funds while additionally proposing amendments to section 302D-29.5, Hawai'i Revised Statutes, that would specifically and expressly reaffirm rental and lease payments by public charter schools as expenses eligible for facilities funding.

¹ See, State of Hawai'i Board of Education Legislative Report, here: http://boe.hawaii.gov/Meetings/Notices/Meeting%20Material%20Library/GBM_20181206_Action%20on%20BOE%20Charter%20School%20Report%20to%202019%20Legislature.pdf.

² See, *Report on Facilities Funding Workgroup Recommendations*, here: https://docs.wixstatic.com/ugd/8c76b8_a05d14fae1f14744a0db97a66b611722.pdf.

In light of these developments, OHA respectfully offers the following recommended amendments to HCR3 that would provide additional, up-to-date information to the 2020 Legislature, regarding the Commission's efforts to further address the facilities funding needs of our public charter schools, including by: (i) having the Commission's report to the 2020 Legislature include information on the implementation of the recently finalized Facilities Funding Workgroup recommendations; (ii) ensuring said report also includes any recommended amendments for the Facilities Funding Workgroup Recommendations; and (iii) ensuring said report also includes information on the distribution of any legislative appropriations made during the 2019 Legislative Session.

Therefore, OHA urges the Committee to **PASS** HCR3, as attached.

Mahalo nui for the opportunity to testify on this measure.

HOUSE CONCURRENT RESOLUTION

REQUESTING THE STATE PUBLIC CHARTER SCHOOL COMMISSION TO REPORT ON THE CRITERIA DEVELOPED AND PRIORITIZATION ADVISED FOR CHARTER SCHOOL FACILITIES FUNDING PURSUANT TO SECTION 302D-29.5, HAWAII REVISED STATUTES.

1 WHEREAS, there are thirty-seven public charter schools in
2 Hawaii serving nearly twelve thousand students statewide; and
3

4 WHEREAS, these public charter schools are part of the state
5 public education system under the authority of the Board of
6 Education and the State Public Charter School Commission; and
7

8 WHEREAS, public charter schools provide unique and valuable
9 educational opportunities by exploring, developing, and
10 implementing innovative education strategies, such as the
11 integration of Hawaiian language, values, and history into
12 culturally enriched curricula; and
13

14 WHEREAS, the role of public charter schools as "innovation
15 labs" for public education informs their potential to improve
16 education standards in schools throughout Hawai'i's public
17 education system; and
18

19 WHEREAS, there are two types of public charter schools in
20 Hawaii: start-up charter schools that must procure their own
21 operating facilities; and conversion charter schools that were
22 converted from traditional Department of Education schools with
23 pre-existing facilities; and
24

25 WHEREAS, according to the State Public Charter School
26 Commission's past testimonies to the Legislature, lease or
27 rental payments constitute a substantial portion of the
28 facilities expenses incurred by public start-up charter schools,
29 who collectively spent over \$5,300,000 on rent or lease payments
30 for school facilities during the 2015-2016 school year; and

H.C.R. NO. 3 H.D.1

1
2 WHEREAS, during the 2016-2017 school year, both start-up
3 and conversion public charter schools spent an approximate total
4 of \$10,400,000 on rent and lease payments, repair and
5 maintenance, and utilities payments; and
6

7 WHEREAS, while section 302D-28, Hawaii Revised Statutes,
8 mandates that the non-facility general fund per-pupil funding
9 amount for public charter school students be equivalent to the
10 non-facility general fund per-pupil base funding amount provided
11 for traditional Department of Education schools, there is no
12 provision to ensure equitable state funding for public charter
13 schools' unique facilities expenses; and
14

15 WHEREAS, accordingly, public charter schools, particularly
16 start-up public charter schools, have had to use a significant
17 amount of their already stretched per-pupil operational funds to
18 pay for their facilities expenses; and
19

20 WHEREAS, the lack of consistent state funding for public
21 charter school facilities expenses may significantly limit their
22 capacity to develop and provide innovative curricula for their
23 students, as well as to serve as "innovation labs" for
24 traditional Department of Education schools; and
25

26 WHEREAS, section 302D-29.5, Hawai'i Revised Statutes,
27 currently requires the Legislature to consider making an
28 appropriation and bond authorization to the Public Charter
29 School Commission for the design, planning, construction,
30 repair, and maintenance of public charter school improvements;
31 expand or improve instructional space; provide for food
32 services; and provide restroom facilities; and
33

34 WHEREAS, despite the plain language of section 302D-29.5,
35 Hawai'i Revised Statutes, which contemplates appropriations for
36 the costs of instructional space, restroom facilities, and other
37 improvements necessary or incidental to a public charter
38 school's educational mission, questions have been raised
39 regarding whether the scope of section 302D-29.5 as currently
40 written includes appropriations for lease or rental payments;
41 and
42

43 WHEREAS, section 302D-29.5, Hawai'i Revised Statutes, tasks
44 the State Public Charter School Commission to develop criteria

H.C.R. NO. 3 H.D.1

1 to determine the distribution of any funds appropriated for
2 public charter school facilities expenses, to include
3 distribution based on the need and performance of the charter
4 schools, overall benefit to the surrounding community, amount of
5 risk and availability of recourse to the State, and whether a
6 particular charter school received facilities funding through
7 other state funding, including grants-in-aid or a separate
8 appropriation; and
9

10 WHEREAS, section 302D-29.5, Hawai'i Revised Statutes,
11 further establishes a Charter School Facilities Funding Working
12 Group within the Department of Education, to act in an advisory
13 capacity to prioritize the allocation of general fund
14 appropriations and bond proceeds for public charter schools to
15 expend based on the criteria established by the State Public
16 Charter School Commission; and
17

18 WHEREAS, the State Public Charter School Commission
19 submitted a Report on Facilities Funding Workgroup
20 Recommendations on March 11, 2019, to the Senate President,
21 House Speaker, and Chairpersons of the House Committee on Lower
22 & Higher Education and the Senate Committee on Education, and
23 further made this report available on the Commission's website;
24 now, therefore,
25

26 BE IT RESOLVED by the House of Representatives of the
27 Thirtieth Legislature of the State of Hawai'i, Regular Session of
28 2019, the Senate concurring, that the State Public Charter
29 School Commission is requested to provide a report on the
30 implementation of the criteria developed by the Commission, and
31 prioritization advised by the Charter School Facilities Funding
32 Working Group, for charter school facilities funding pursuant to
33 section 302D-29.5, Hawai'i Revised Statutes, as described in the
34 March 11, 2019 Report on Facilities Funding Workgroup
35 Recommendations; and
36

37 BE IT FURTHER RESOLVED that the State Public Charter School
38 Commission is requested to provide in its report information
39 relating to any recommended amendments to the criteria and
40 prioritization as described in the Report on Facilities Funding
41 Workgroup Recommendations; and
42

43 BE IT FURTHER RESOLVED that the State Public Charter School
44 Commission is requested to provide in its report information

H.C.R. NO. 3 H.D.1

1 relating to the distribution to public charter schools of any
2 legislative appropriations made by the 2019 Legislature for
3 charter school facilities costs; and
4

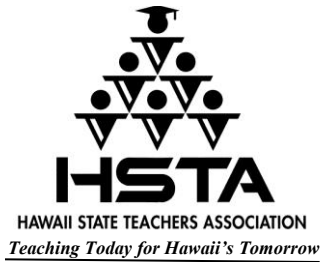
5 BE IT FURTHER RESOLVED that the State Public Charter School
6 Commission, with input from the Charter School Facilities
7 Funding Working Group, is requested to provide in its report any
8 proposed legislation and recommendations, including any
9 recommendations related to funding expenditures for lease and
10 rental payments under section 302D-29.5, Hawai'i Revised
11 Statutes; and
12

13 BE IT FURTHER RESOLVED that the State Public Charter School
14 Commission is requested to submit its report, and any proposed
15 legislation and recommendations, to the Legislature no later
16 than twenty days prior to the convening of the Regular Session
17 of 2020; and
18

19 BE IT FURTHER RESOLVED that certified copies of this
20 Concurrent Resolution be transmitted to the Chairperson and
21 Executive Director of the State Public Charter School
22 Commission, the Chairperson of the Board of Education, the
23 Director of Budget and Finance, the State Comptroller, the
24 Superintendent of Education, and the Chairperson of the Board of
25 Trustees of the Office of Hawaiian Affairs.
26
27
28

OFFERED BY: _____

By Request



1200 Ala Kapuna Street ♦ Honolulu, Hawaii 96819
Tel: (808) 833-2711 ♦ Fax: (808) 839-7106 ♦ Web: www.hsta.org



Corey Rosenlee
President
Osa Tui Jr.
Vice President
Logan Okita
Secretary-Treasurer
Wilbert Holck
Executive Director

TESTIMONY BEFORE THE HOUSE COMMITTEE ON
LOWER & HIGHER EDUCATION

RE: HCR 3 - REQUESTING THE STATE PUBLIC CHARTER SCHOOL
COMMISSION TO REPORT ON THE CRITERIA DEVELOPED AND PRIORITIZATION
ADVISED FOR CHARTER SCHOOL FACILITIES FUNDING PURSUANT TO SECTION
302D-29.5, HAWAII REVISED STATUTES

MONDAY, MARCH 18, 2019

COREY ROSENLEE, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

Chair Woodson, and Members of the Committee:

The Hawaii State Teachers Association **supports** HCR 3, requesting the State Public Charter School Commission to report on the criteria developed and prioritization advised for charter school facilities funding pursuant to section 302D-29.5, Hawaii Revised Statutes.

Facilities funding is a long-standing issue for charter schools. In Hawai'i, start-up charter schools have paid the costs of their facilities from operational funds. In 2013, however, lawmakers authorized the Hawai'i State Public Charter School Commission to request facilities funding as part of its annual budget request. Later, in 2015, legislators called for a working group to establish a framework for providing facilities funding and support for public charter school facilities with adequate prioritization, oversight, and accountability. Currently across the state charter schools have to use rundown buildings, and even lanais to provide classrooms. These "facilities" are not conducive to learning, and do need to change.

HSTA believes that HCR 3 will help show which charter schools need more funding to ensure their facilities are conducive to learning. It will also hopefully show which charter schools are thriving and those can be used as examples to the other charter schools that may not be.

Hawaii State Teachers Association asks that your committee to **support** HCR 3.