

DAVID Y. IGE  
GOVERNOR



JOHN S.S. KIM  
CHAIRPERSON

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

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FOR: HB 1526 HD1 RELATING TO STATE PUBLIC CHARTER SCHOOLS BUDGET  
DATE: March 11, 2019  
TIME: 2:45 P.M.  
COMMITTEE: Committee on Education  
ROOM: Conference Room 229  
FROM: Sione Thompson, Executive Director  
State Public Charter School Commission

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

The State Public Charter School Commission (“Commission”) appreciates the opportunity to submit this testimony in **SUPPORT of HB1526 HD1**. The Commission is grateful for the support shown to the public charter school system with the approved add-ons in the public charter school budget.

- **EDN 600**

The add-ons for EDN 600, the charter school budget are:

<b><u>EDN 600 Add-</u></b> <b><u>ons</u></b>	<b><u>FY2019-2020</u></b>	<b><u>MOF</u></b>	<b><u>FY2020-2021</u></b>	<b><u>MOF</u></b>
Facilities Funding	\$11,160,000	A	\$11,160,000	A
Teacher Incentives	\$892,000	A	\$892,000	A
<b>Total</b>	<b>\$12,052,000</b>	<b>A</b>	<b>\$12,052,000</b>	<b>A</b>
Federal Ceiling Increase	\$3,150,000	N	\$3,150,000	N

The Commission greatly appreciates the inclusion of facilities funding in the charter school budget as facilities costs have been one of the greatest unaddressed challenges for Hawaii’s chartering system. Facilities funding has been and continues to be a long-standing issue for charter schools and has been identified as one of the Commission’s standing advocacy principles.

In addition, the inclusion of teacher incentive funds as a separate budgetary appropriation addresses a long-standing issue pertaining to the funding of statutorily and collectively bargained teacher incentives. In order to fully fund these incentives for charter school teachers who teach in hard-to-staff areas and charter school teachers who have earned National Board certification.

There are currently 230 teachers in eight charter schools designated as being in hard-to-fill areas. The current Master Agreement between the Board of Education and the Hawaii State Teachers Association requires that teachers in areas designated as hard-to-fill be paid an annual differential of \$3,000.

National Board Certified teachers represent another group of teachers that charter schools are required to provide an incentive to. There were about twenty-one teachers in thirteen charter schools who were national board certified.

Section 302A-706, HRS, establishes the teacher national board certification incentive program which provides a \$5,000 bonus to teachers who maintain national board certification. Incentives are also provided for completion of the certification program and an additional \$5,000 is provided to national board certified teachers who teach at a designated hard-to-staff area.

In addition to the general fund inclusion of approximately \$12 million, the Commission is requesting an increase of about \$3.1 million in the federal fund expenditure ceiling for public charter schools in order to allow for the total anticipated award amount for the next fiscal year.

- **EDN 612**

The add-ons for EDN 612, the Commission budget is:

EDN 612 Add- ons	FY2019-2020	MOF	FTE	FY2020-2021	MOF	FTE
Federal Ceiling Increase	\$1,384,300	N	5.0	\$1,384,300	N	5.0

The Commission is not requesting any general fund add-ons for the upcoming biennium budget at this time. As with EDN 600, the Commission is requesting an increase in its federal fund ceiling and federal fund position count to accurately reflect current operations and staffing.

The Commission appreciates the support for public charter schools shown by this committee and the House through the initiatives funded through this measure.

Thank you for the opportunity to provide this testimony.



Legislative Testimony

**HB1526 HD1**  
**RELATING TO THE STATE**  
**PUBLIC CHARTER SCHOOLS**  
**BUDGET**  
Senate Committee on Education

March 11, 2019

2:45 p.m.

Room 229

The Office of Hawaiian Affairs (OHA) **SUPPORTS** the provisions of HB1526 HD1 that would provide long-awaited funding to the State Public Charter School Commission (Commission) for state public charter schools' facilities costs, as well as for teacher incentive pay required by law or collective bargaining. Critically, this bill would help alleviate the unique financial burdens borne by start-up public charter schools in meeting their basic facilities needs, and address the lack of dedicated teacher incentive funds for charter school teachers who have earned National Board certification or who teach in hard-to-fill schools.

Hawai'i's public charter schools are indeed deserving of equity, and have already demonstrated their potential for innovation and excellence notwithstanding their unique financial challenges. Most recently, some public charter schools have 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 also benefit students and schools throughout our public education system. As a testament to Hawai'i's charter schools' success, on December 6, 2016, the State Board of Education (BOE)-approved updated State Education Strategic Plan (Plan) for 2017-2020 describes "the shared objectives for equity and excellence for every child across Hawai'i's nearly 300 public schools, including our public charter schools and Hawaiian language medium schools" (emphasis added). The Plan also includes the objective that "Hawai'i public schools will foster innovation and the expansion of existing public school 'Bright Spots,' which includes learning from charter schools that were established as innovation labs" (emphasis added).

Unfortunately, although Hawai'i's public charter schools continue to demonstrate their distinct value to Hawai'i's students, addressing public charter schools' facilities needs continues to be a critical and longstanding issue in the charter school community. Start-up charter schools in particular must pay for substantial facilities costs using their already stretched operational funds. This is a cost that is not borne by conversion charter schools, or schools under the Hawai'i Department of Education, and that may unfairly

impede start-up schools from realizing their full potential for their students and as “innovation labs” for public education as a whole.

Notably, the BOE itself has acknowledged the longstanding need to address this funding disparity, and its most recent report to the 2019 Legislature “recommends that the Legislature provide some form of facilities funding to charter schools to address this unmet [facilities funding] need.” Like the Plan, this recommendation recognizes the importance of our public charter schools as an integral component of our public education strategy. Accordingly, addressing the funding disparity for charter schools’ facilities needs will help to more fully realize the potential for innovation in charter schools and potentially foster greater student success in our public school system as a whole. **By providing adequate appropriations for charter schools’ facilities funding, HB1526 HD1 will address the longstanding problem of funding for charter schools’ facilities, and bring long-awaited equity to our public charter schools.**

With respect to HB1526 HD1’s provisions relating to charter school teacher incentive funding, OHA understands that the Hawai’i Department of Education (DOE) maintains a designated fund to pay mandatory incentive compensation to DOE school teachers who have earned National Board certification, or who teach at hard-to-fill schools. In contrast, there is no such designated fund for teachers in public charter schools who have similarly earned National Board certification, or who teach at hard-to-fill schools. Consequently, public charter schools have had to pay these incentive bonuses out of each individual school’s per-pupil funds, a cost that is not currently calculated into the moneys public charter schools are provided each year by the State. This places an enormous burden on public charter schools already struggling to balance their lean budgets. Similar to the aforementioned facilities funding disparities, this unique burden may substantially inhibit our public charter schools, including hard-to-fill schools, from realizing their full potential, and providing innovative education solutions that may benefit our public education system as a whole. OHA therefore appreciates this measure’s allocation of funding for teacher incentive compensation.

Accordingly, OHA urges the Committee to **PASS** HB1526 HD1. Mahalo nui for the opportunity to testify on this measure.



## KAMEHAMEHA SCHOOLS®

Senate Committee on Education

Time: 2:45 p.m.

Date: March 11, 2019

Where: Conference Room 229

### TESTIMONY

By Ka'ano'i Walk

Kamehameha Schools

**RE: HB 1526, HD1, Relating to the State Public Charter Schools Budget**

E ka Luna Ho'omalu Kidani, ka Hope Luna Ho'omalu Kim, a me nā Lālā o ke Kōmike Ho'ona'auao o ka 'Aha Kenekoa, aloha kākou! My name is Ka'ano'i Walk, the Senior Policy Analyst for Kamehameha Schools.

Kamehameha Schools is in **support** of HB 1526, HD1, relating to the State Public Charter Schools Budget, which appropriates funds for the fiscal biennium 2019-2021 operating budget for Department of Education programs relating to charter schools under the purview of the House of Representatives Standing Committee on Lower and Higher Education.

Kamehameha Schools advocates for and supports the achievement of Hawai'i's Native Hawaiian public school students. As such, we have been a collaborator with the Hawai'i public charter schools for over a decade. Through our work with and support of Hawaiian-focused public charter schools, we hope to significantly impact more children and their families through education.

We believe that Hawaiian-focused charter schools provide quality culture-based educational choices for all families and ultimately enhance both academic achievement and engagement for students. Funding for charter school facilities and teacher incentives is a major step forward in achieving necessary and sustainable funding for public charter schools.

Founded in 1887, Kamehameha Schools is an educational organization striving to restore our people through education and advance a thriving Lāhui where all Native Hawaiians are successful, grounded in traditional values, and leading in the local and global communities. We believe that community success is individual success, Hawaiian culture-based education leads to academic success and local leadership drives global leadership.

'A'ohē hana nui ke alu 'ia. No task is too large when we all work together! **Please advance this measure.**

March 11, 2019

To: Senator Michelle N. Kidani, Chair Representative  
Senator Donna Mercado Kim, Vice Chair  
Senate Committee on Education

From: Laura Nevitt, Policy Director  
Hawaii Children's Action Network

Re: **H.B. 1526— RELATING TO THE STATE PUBLIC CHARTER SCHOOLS BUDGET**  
**Hawaii State Capitol, Room 229, March 11 2:45 PM**

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**On behalf of Hawaii Children's Action Network (HCAN), I am writing in SUPPORT of H.B. 1526, which would appropriate funds for the fiscal biennium 2019-2021 operating budget for Department of Education programs relating to charter schools under the purview of the House of Representatives Standing Committee on Lower and Higher Education.**

- At this moment, charters just want to maintain/sustain what they have. \$4M is the legislative request

- o They've invested in personnel by providing ongoing data-based professional development for teachers, educational assistants and principals/directors.

- o Though teacher retention challenges are even greater in remote areas, the commission has done well to retain their qualified teachers

- Charter schools are included in the Executive Office on Early Learning's 10-year plan

- EOEL is tasked with entire early learning system, and the charter pre-K program is part of that system.

- Charter school pre-K programs offer:

- o Family choice

- o Increase access to preschool programs in areas that do not have or have very limited pre-K programs or slots (private preschools or DOE public pre-K)

**For these reasons, HCAN asks that you pass H.B. 1526.**

*HCAN is committed to building a unified voice advocating for Hawaii's children by improving their safety, health, and education.*

**HB-1526-HD-1**

Submitted on: 3/9/2019 1:43:58 PM

Testimony for EDU on 3/11/2019 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	Support	No

Comments:



**HB-1526-HD-1**

Submitted on: 3/10/2019 2:49:04 PM

Testimony for EDU on 3/11/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melodie Aduja	Testifying for O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments:

**LATE**

**HB-1526-HD-1**

Submitted on: 3/11/2019 11:25:10 AM

Testimony for EDU on 3/11/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Kalima Cayir	Testifying for Volcano School of Arts & Sciences	Support	No

Comments: