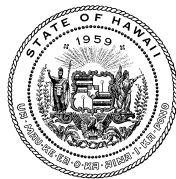


SB899



**EXECUTIVE CHAMBERS**  
HONOLULU

LINDA LINGLE  
GOVERNOR

Testimony of  
**Linda L. Smith**  
Senior Policy Advisor to Governor Lingle

Before the  
**SENATE COMMITTEE ON EDUCATION AND HOUSING**  
Wednesday, February 11, 2009, 2:30 p.m.  
Room 225, State Capitol

**S.B. 899 RELATING TO CHARTER SCHOOLS**

Chair Sakamoto, Vice Chair Kidani, and members of the Committee, thank you for the opportunity to provide testimony in **support** of Senate Bill 899, an administrative proposal that seeks to address the funding needs of Hawaii's public charter schools.

First, this bill suspends the charter school funding formula currently in statute for two fiscal years in recognition of the widely shared perspective that the existing funding mechanism needs to be reassessed and revised. While the funding formula is suspended, charters will receive \$12,000,000 for each fiscal year of the biennium in addition to appropriations in the executive biennium budget. This approach will provide adequate interim funding for charter schools, which have experienced a steady increase in enrollment, while also providing a period of time for stakeholders to reassess the funding formula.

Secondly, this bill creates a facilities funding mechanism for charter schools that is based on actual lease and rent costs incurred by non-conversion charter schools. Facilities funding will also include repair and maintenance monies for conversion and non-conversion charter schools that is based on actual projected repair and maintenance needs. Charters are also authorized to submit a capital improvement project funding request based on a Panel-approved matrix of projects.

Thirdly, S.B. 899 proposes revisions to the funding formula, which will be re-enacted following the suspension. These revisions are based on the recommendations of the 2007 charter school work group and are intended to serve as a starting point for stakeholders to amend the funding formula. The funding formula proposed in this bill includes a per-pupil funding amount that includes projected enrollment counts and

bases the financing on the most recently enacted Department of Education budget. The formula excludes fringe benefit costs, debt service, and federal funds.

Lastly, S.B. 899 grants the Charter School Review Panel the authority to approve the charter schools' budget submission, in recognition of their role to provide oversight to charter school operations.

This bill is one approach to ensuring that the short-term and long-term funding needs of charter school students are met. We urge the committee to pass this measure out for further consideration. Thank you for the opportunity to testify.

Date of Hearing: Wednesday, February 11, 2009

Committee: Senate Committee on Education and Housing

Board: Education

Person Testifying: Garrett Toguchi, Chairperson, Board of Education

Title of Bill: S.B. No. 899, Relating to Charter Schools

Purpose of Bill: (1) Includes under the responsibilities of the Charter School Review Panel (CSRP), approval of the charter schools' budget submission, including any request for capital improvement funding; and review, modification, and approval of recommendations of the Charter School Administrative Office (CSAO) to allocate funds to charter schools as needed; (2) Replaces submission of the budget request to the Board, with submission of the budget request to CSRP; (3) Establishes a facilities funding amount for charter school students that will be applied beginning with FY 2009-2010; (4) Specifies the per-pupil funding for charter school students that will be applied beginning with FY 2011-2012; (5) Beginning with FY 2011-2012, requires CSAO to submit a request for Capital Improvement Project funding based on a prioritized matrix of projects approved by CSRP; and (6) Appropriates \$12,000,000 for each year of Fiscal Biennium 2009-2011, for costs associated with the operation of charter schools, and provides that the appropriations are in addition to the monies appropriated pursuant to the State Biennium Budget enacted in the 2009 Regular Session.

Board's Position: Chairperson Sakamoto, Vice Chairperson Kidani, and members of the Senate Committee on Education and Housing, thank you for the opportunity to comment on S.B. No. 899.

The Board has not had an opportunity to discuss S.B. No. 899, and as such, does not have a position on this bill at this time. The Board Committee on Legislation, Public Charter Schools & Public Libraries will be taking up this and other education bills in committee tomorrow.

Thank you for the opportunity to comment on this measure.

Linda Lingle  
Governor



Vanelle Maunalei Love  
Executive Director

**Charter School Administrative Office**

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**FOR:** SB899, Relating to Charter Schools  
**DATE:** Wednesday, February 11, 2009  
**TIME:** 2:30 p.m.  
**COMMITTEE(S):** Committee on Education and Housing  
**ROOM:** Conference Room 225  
**FROM:** Maunalei Love, Executive Director

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Testimony in **Support of the Purpose and Intent.**

Chair Sakamoto, Vice Chair Kidani, and Members of the Committee:

Thank you for the opportunity to testify today on this measure. The CSAO supports the purpose and intent of this bill to ensure equitable funding for charter school students by appropriating an additional \$12 Million per year to the charter schools in addition to that in the executive budget request for the biennium, suspending the current formula for the biennium and replacing the existing funding formula, and including facilities and repair and maintenance monies.

The CSAO appreciates all the efforts of all the stakeholders who have been working diligently to get the charter schools equitable funding.

We do have concerns regarding the suspension of the formula for the biennium. The current language is ambiguous in that it is unclear whether the suspension of the formula would act to remove the approximately \$60 Million/year in the executive budget request for charter schools, leaving them with only the "additional" \$12 Million/year.

In addition, SB496 includes the ongoing work of all stakeholders, including Chair Sakamoto, and is an attempt to address the issues SB899 is trying to resolve. Indeed, several proposed revisions and drafts of SB496 have been circulated and the latest draft recommended by the CSAO has been agreed upon by most of the stakeholders. The CSAO will be attaching this latest revision in our testimony as a proposed SD1 for SB496. We believe that our proposed SB496 SD1 captures most of the changes that SB899 attempts to rectify. We would like this bill to pass so that the appropriation language survives to allow the legislature to fund the missing \$12 Million/year.

We respectfully ask that the committee read this bill in conjunction with SB496 and our proposed SB496 SD1 and pass both bills forward with recommended amendments.

Thank you again for the opportunity to testify.



## KAMEHAMEHA SCHOOLS

Testimony to the Senate Committee on Education and Housing  
Hearing Date: February 11, 2009  
2:30 p.m. – Conference Room 225

***Kalei Kailihiwa, Director, Ho'olako Like  
Kamehameha Schools***

Re: SB 899 RELATING TO CHARTER SCHOOLS

Good afternoon Chair Sakamoto, Vice Chair Kidani and members of the Senate Committee on Education and Housing. My name is Kalei Kailihiwa, Director of Ho'olako Like of Kamehameha Schools. Thank you for this opportunity to **comment on SB 899** relating to charter schools.

We support the intent of this measure but are concerned about its possible unintended consequences if it results in a lower per pupil allocation of funding. We strongly support equitable and fair funding for public charter schools and want to ensure that any mechanism intended to address funding issues will not result in reduced funding amounts. For purposes of moving forward, we support the intent of this measure and look forward to positively engaging in public dialog to support charters.

Kamehameha Schools has been a collaborator in the charter school movement for more than six years now. As part of our Education Strategic plan, KS hopes to significantly impact more Hawaiian children ages 0-8 and grades 4-16+, and their families/ caregivers over the next five years, in collaboration with others whenever possible.

Currently, Kamehameha Schools works with 12 nonprofit tax-exempt organizations, including `Aha Pūnana Leo, OHA, KALO and Ho'okāko'o Corporation, to assist a total of 14 start-up and 3 conversion charters with special projects, professional development, and technical assistance. Kamehameha Schools believes that these efforts provide more positive educational choices and ultimately enhances academic achievement and greater school engagement for Hawaiian students. Through these collaborations, Kamehameha Schools currently assists more than 3,200 students in eleven communities on 4 major islands, within the public education system.

Recent research conducted over the past three years shows that Hawaiian-focused charter schools are implementing positive educational strategies and make a difference to Hawai'i's public school landscape in the following ways:

- They demonstrate success in helping "at-promise" students jump-start academic momentum using rigorous place-based and project-based strategies;
- The schools provide relevant and rigorous education in ways that engage both Hawaiian and non-Hawaiian students;
- They cultivate values of environmental stewardship and civic responsibility among future leaders;
- They build a strong sense of 'ohana through caring and supportive student/teacher relationships;
- They enhance the well-being, family involvement, and economic sustainability of communities.

In summary, supporting and replicating the successful strategies found in Hawaiian-focused charter schools is a good way to invest in education that has potential benefits for the entire public school system.



# HAWAI‘I EDUCATIONAL POLICY CENTER

*Informing the Education Community*

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Testimony Presented Before the  
Senate Committee on Education and Housing

February 11, 2009, 2:30 pm, Room 225

by  
Donald B. Young, Director  
Hawai‘i Educational Policy Center

## **SB 899: Relating to Charter Schools**

Chair Sakamoto, Vice Chair Kidani, and Members of the Committee:

The Hawai‘i Educational Policy Center (HEPC) supports SB 899, which repeals the charter schools funding formula for two years and makes a general revenue appropriation for charter schools.

We have some specific comments and suggested amendments.

On pages 2–3: HEPC cautions against placing too much day-to-day management of charter schools and the CSAO office on the duties of the Charter School Review Panel (Panel). The Panel’s primary role in its newfound powers is as authorizer, not as micromanager. While it is reasonable to approve the budget submission and capital improvement funding requests, HEPC questions the need to approve the allocation of funds to charters by CSAO, as they must do this by law and formula. Over time, the Panel may be more and more involvement in implementation of the law, and thus become distracted from its primary tasks as authorizer.

On page 6, lines 14–16: HEPC suggests that a more important deadline would be to require the approval of start-up charter schools no later than October 1 in the year preceding the approved opening of the school. This would allow adequate time for CSAO and the panel to integrate the expected enrollments into its budget requests to the executive branch and the legislature. HEPC also suggests that a later date could be set for conversion charters because in the first year of operation their funding remains with the DOE, and only changes to the EDN 600 per pupil funding in the second year of operation.

The funding formula starting on page five is a reasonable one and a long time coming to recognize that charter school students deserve some level of facility support.

Obviously, the additional \$12 million is desperately needs to achieve a reasonable level of fairness and equity in the face of growing enrollments.

Thank you for this opportunity to testify.