

Date: 02/09/2009

Committee: House Education

Department: Education

Person Testifying: Patricia Hamamoto, Superintendent of Education

Title of Bill: HB 1686 RELATING TO CHARTER SCHOOLS.

Purpose of Bill: Establishes a charter school funding mechanism to ensure that charter schools receive fair and equitable funding.

Department's Position: The Department supports H. B. No. 1686. The statutes regarding the calculation of charter school funding have been revised over time, as the state has attained additional experience with charter schools. This bill builds on the experience gained in working with Section 302B-12 for the past three years.

The Department recommends the following amendments to the proposed Section 302B-B (a) and 302B-D (a):

1. require all schools (public schools and public charter schools) to complete their official enrollment counts for the current school in August, to enable schools to receive their current school year allocation at the beginning of the school year;
2. change the reference to the "upcoming school year" to the "current school year"; and
3. add a provision in one of these sections to allow random sample audits for public charter schools to verify the Department of Education enrollment counts, and for Department of Education to verify the public charter schools enrollment counts, using their student information systems.

If new programs are added to the Department of Education's budget in future Legislative sessions, the Department will verify with the Legislature as to the intent of the funds, if the program appears to be specifically for one of the purposes that the bill excludes from the per-pupil calculations such as state-level expenses, special education programs, programs outside the K-12 curriculum, or facilities maintenance expenses.

WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON EDUCATION
ON
HOUSE BILL NO. 1686

February 9, 2009

RELATING TO CHARTER SCHOOLS

House Bill No. 1686 establishes a mechanism for funding Charter School operations based on adding the Department of Education's general fund appropriation minus State level expenses, special education, A+, adult education and facility maintenance, to the appropriation for Charter Schools. House Bill No. 1686 also establishes a mechanism for funding start-up Charter School facilities based on the Department of Education's facility maintenance expenses and debt service.

We oppose this bill because it does not represent the true cost of operating the Charter Schools.

Our concerns are as follows:

1. Under this bill, the proposed base budget for Charter School operations would be double-budgeted because the Department of Education's general fund appropriation is already included in the calculation for current Charter School appropriations.
2. The Charter Schools' budget would be based on the Department of Education's general fund appropriation which includes fringe benefits; therefore, the issue of responsibility for fringe benefit payments should be addressed either through the bill or a budget proviso.

We maintain that the most accurate and fair method of budgeting for the Charter Schools would be to review actual needs and expenditures, similar to the budgeting method for other State departments.

Linda Lingle
Governor



Vanelle Maunalei Love
Executive Director

Charter School Administrative Office

1111 Bishop Street, Suite 516
Honolulu, Hawaii 96813
Tel: 586-3775 Fax: 586-3776

FOR: HB1686, Relating to Charter Schools
DATE: Monday, February 9, 2009
TIME: 2:00 p.m.
COMMITTEE(S): Committee on Education
ROOM: Conference Room 309
FROM: Maunalei Love, Executive Director

Testimony in **opposition** to H.B. No. 1686

Chair Takumi, Vice Chair Berg, and Members of the Committee:

Aloha, I am Maunalei Love, executive director of the Charter School Administrative Office. I want to thank the chair and the entire committee for the time and effort being spent to remedy the issue of properly funding the public charter schools. In my years of advocating for Hawaii's charter schools, funding has always been of concern due to the ambiguity of determining how to develop a funding formula that will address differing structures. Charter school advocates were hopeful when the statutory funding formula as outlined in 302B-12 (a) was passed, but this formula has never been followed and to date, equity in funding has eluded public charter schools.

This bill seeks to remedy this problem (and equitably fund the charter schools) by completely rewriting the funding mechanism and the formula for charter schools. However, I must strongly oppose the bill in its current form because it performs the following actions:

- Transfers the authority for determining the charter schools budget to the Department of Education.
- Creates new classes of expenditure exclusions that are ambiguous and open to different interpretations between the DOE and the Charter Schools.
- Establishes a methodology for calculating the per-pupil allocation that guarantees that charter school funding will never be equitable with DOE per-pupil funding.
- Creates a review committee within the DOE to review and confirm the department's determination of the per-pupil allocation. However, the review committee is wholly a creation of the BOE with no provision for its size or representation from the charter school community. Further, there is no provision for settling committee conflicts.
- Provides that adjustments be made to funding for charter school operations if the verified student enrollment exceeds the projected student enrollment, but there is no definition of "verified student enrollment" or when such a determination would be made. (Similar language was tried in the past and removed.)

I continue to support the proper funding of the public charter schools and commend the committee for its attention and support to ensuring that this issue be resolved. However, I believe that language of this approach may create more problems than solutions. For these reasons, I respectfully ask that this bill be held or substantially rewritten. The CSAO is ready, willing, and able to help with such a revision. Thank you for this opportunity to testify.

Linda Lingle
Governor



Vanelle Maunalei Love
Executive Director

Charter School Administrative Office

1111 Bishop Street, Suite 516
Honolulu, Hawaii 96813
Tel: 586-3775 Fax: 586-3776

FOR: HB1686, Relating to Charter Schools
DATE: Monday, February 9, 2009
TIME: 2:00 p.m.
COMMITTEE(S): Committee on Education
ROOM: Conference Room 309
FROM: Robert Roberts, Chief Financial Officer

Testimony in **opposition** to H.B. No. 1686

Chair Takumi, Vice Chair Berg, and Members of the Committee:

Aloha and Mahalo for hearing my testimony regarding H.B. 1686. My name is Robert A. Roberts and I am the Chief Financial Officer for the Charter Schools Administrative Office. I have held this position for four and one half years and have witnessed many legislative changes regarding the administration and funding for charter schools. Some of these changes have been positive and have moved towards creating stability for Hawaii's Public Charter Schools. Some other changes, however, have led to disruption and instability for Hawaii's Public Charter Schools. In my years here, the statutory formula for funding the Public Charter Schools has never been followed when making the Charter Schools' allocation.

H.B. 1686 is a well-intended effort to fix problems in the mechanism for equitably funding the charter schools. However, HB 1686 tries to accomplish this by completely rewriting the funding mechanism and the formula for charter schools. It moves the responsibility for determining the per-pupil allocation for charter schools from the CSAO, the Department of B&F, the Governor's Office and the Legislature to the Department of Education. It creates new classes of expenditure exclusions that are ambiguously defined in the bill and open to different interpretations between the DOE and the Charter Schools. In addition, it establishes a methodology for calculating the per-pupil allocation that guarantees that charter school funding will never be equitable with DOE per-pupil funding. This is the case because the bill provides that the appropriation for charter schools be added to the DOE's expenses and that this sum is then divided by the total enrollment of the DOE schools and the charter schools. This means that the charter schools will be funded at the weighted average between the current funding level of the charter schools (lower than the DOE per-pupil funding) and the current amount expended by the DOE on a per-pupil funding amount. Funding charter schools at the average funding amount between the charters and the DOE means that the charters will never be funded at equity with the DOE.

The bill provides that a review committee be created within the DOE to review and confirm the accuracy of the department's determination of the per-pupil allocation. However, the bill provides that the composition of the review committee be determined by the BOE with no

provision for the size of the committee or that the committee have a balance of representation from the charter school community and the DOE. Further, the bill has no provision for settling conflicts within the committee.

The bill provides that adjustments be made to the “base budget” for charter school operations if the verified student enrollment as determined in September exceeds the projected student enrollment used to determine the “base budget” amount under 302B-A by transfer of funds by the DOE. If the estimated enrollment exceeds the verified enrollment then the transfer would be from the charter schools to the DOE. There are several problems with this language: First, there is no definition of “verified student enrollment.” Also, there is no specific date provided, the bill states “as determined in September of each year” which could be any day in September. Current statute provides that the official enrollment count date for charter schools is October 15. In the past, similar language was in the statute, requiring transfers between the DOE and the Charter Schools for differences between projected and actual enrollments. In the first year under this language, the projected enrollment was slightly higher than the actual enrollment and the charter schools transferred funds to the DOE. In the second year, the actual enrollment was slightly higher than the projected enrollment. In that year the DOE never made the transfer and the charter schools are still waiting for the department to live up to its obligation. In the third year, the language was removed from the statute.

I continue to support the proper funding of the public charter schools and commend the committee for its attention and support to ensuring that this issue be resolved. However, I believe that the language of this approach may create more problems than solutions. For these reasons, I respectfully ask that this bill be held or substantially rewritten. The CSAO is ready, willing, and able to help with such a revision. Thank you for this opportunity to testify.

berg1-Liz

From: Director [Director@WHEA.net]
Sent: Friday, February 06, 2009 8:00 PM
To: EDNtestimony
Subject: Testimony in Strong Opposition to HB1686

2/6/2009

Testimony to the House Committee on Education
Hearing Date: Monday, February 9, 2009
2:00p.m. – Conference Room 309

Hawai'i Charter Schools Network

Alapaki Nahale-A, President
Susan Osborne, Vice President
Curtis Muraoka, Secretary
Steve Hirakami, Treasurer

Re: HB 1686 Relating to Charter Schools, Testimony in Strong Opposition

Aloha Chair Takumi, Vice-Chair Berg, and Esteemed Members of the Committee on Education:

HCSN expresses deep misgivings on this bill based on the following:

1. The idea of a DOE-created “base budget” appears conceptually in lock-step with the DOE’s Act 51, and seems antithetical to the parity intentions of current statute HRS Sec. 302B-12.
2. Frequent use of “such as” describing categories to be backed out of the “General Fund Appropriation” hinders systemic transparency and intent.
3. The clause creating the “(department’s) committee to review and confirm the accuracy of the department’s determination of the per pupil allocation”, appears to be lacking in checks and balances, placing potential fetters upon fairness.
4. That aforesaid committee members “serve at the pleasure of the board” is not a productive inroad toward fairness, collaboration and cooperation.
5. Finally, and most importantly, it is the broad position of the public charter schools that the current statutory formula and funding process in 302B-12 has yet to be followed. Therefore, HCSN questions how HB1686 provides assurances against unintended consequences like further erosion of the per pupil allocation which would exacerbate waiting lists amid growing demand, stifle innovation, and debilitate high performing public charter school programs.

It is indiscernible at what level the public charter school per pupil amount would be if HB1686 were put into practice today. Such “reinventing the wheel” is ill-advised when the current wheel (302B-12) has not yet seen meaningful traction.

While we are encouraged by the Education Committee leadership’s past comments seeking a fair and understandable funding formula for all public education, this iteration of that noble idea seems merely an extension of funding and resource management concerns expressed in the November 2008 Gartner Report on the DOE’s Enterprise Resource Planning (ERP) System Feasibility Study Report (FSR).

HCSN therefore voices strong opposition to this bill, but supports its overall intention to create a fair and understandable funding formula for public school students without regard to what type of public school they attend.

Respectfully Submitted,

Curtis Muraoka, Secretary

Via email to EDNtestimony@capitol.hawaii.gov

On behalf of

Alapaki Nahale-A, President

Susan Osborne, Vice-President

Steve Hirakami, Treasurer

Hawai'i Charter Schools Network

Representing the United Voice of Hawai'i's 31 Public Charter Schools

HCSN is dedicated to improving Hawai'i's charter school laws in step with the Obama Administration's position that public charter schools represent meaningful freedom of choice and accountability in public education.

TESTIMONY OF TOM MACDONALD ON HB1686 RELATING TO CHARTER SCHOOLS

HOUSE COMMITTEE ON EDUCATION Monday February 9, 2009 2:00 PM

My name is Tom Macdonald and I am testifying as a member of the Charter School Review Panel. The Panel appreciates the time and effort that this Committee, and the Legislature generally, have devoted to ensuring that charter schools receive equitable funding.

And the Panel appreciates the good-faith effort made by the Department of Education to construct an equitable formula for funding charter schools in this bill. The idea of a joint committee from the Department and the Charter School Office to assure that the formula is calculated correctly is a very positive suggestion.

However, we do have concerns with the formula itself that is included in HB1686.

First of all, the formula provides no funds for charter school facilities except for maintenance expenses and maintenance-related debt service expense. The formula provides no funds for lease rent or utility costs for charter schools. Lease rents are one of the major expenses for most charter schools. This is a serious omission.

The Bill also excludes special education expenses from the formula. This would be equitable if the Department absorbed all the costs of special education students in charter schools. But that is not the case. The Department only provides the teachers for special education students, and then only to some of the charter schools that have special education students. All the other expenses of special education students, including classroom and other facilities, materials, utilities, and the special supervisory care often required by these students is paid by the charter schools. The exclusion of special education expense from the formula is particularly damaging since the Department has just transferred \$1.8 million per year of expense for Student Service Co-ordinators from itself to the charter

Macdonald HB 1686, Page 2.

schools. These co-ordinators often provide many of the support services special education students require.

The formula also removes after school programs and adult education and other non- K-12 programs from the calculation. But charter schools provide many adult education and similar services in their communities, particularly in the 15 Hawaiian emphasis charter schools. It is unfair to refuse to provide funds for these programs just because they may not be identical to Department programs. Charter schools are not intended to be carbon copies of Department schools and their funding needs to reflect that.

Finally, we have some concern about how the "state-level expenses" that are to be subtracted from the calculation will be identified and how they will be calculated. There is certainly a lot of room here for subjective interpretations of what is a state level expense and what is not.

In addition, the subtraction of "state level expenses" seems to assume that charter schools do not have similar "overhead" type expenses. The charter school office does not receive a separate appropriation and the charter panel's appropriation covers only a fraction of its operating costs. So these costs are absorbed by the schools and reduce the amount of funding available for each pupil.

Thank you for this opportunity to have some input on this important matter

To: The Honorable Roy Takumi, Chair and
Members of the House Committee on Education

From: Lydia Trinidad, Principal
Kualapu'u School

Date: February 9, 2009
Time: 2:00 pm
Location: State Capitol
Room 309

Subject House Bill (HB) 1686 Relating to Charter Schools

Kualapu'u School (KUU) thanks the legislature for its efforts and support over the years to clarify and resolve many of the policies that affect charter school students. KUU is very encouraged with the continued legislative efforts.

HB 1686 triggers questions and concerns about the funding formula and process. KUU is uncertain that the current draft of HB 1686 will resolve the questions and concerns and prevent charters from having to return to future legislative sessions to seek resolution.

Some of the questions and concerns are listed below:

• Will what is proposed clarify the funding formula or replace it?

The charter schools received cuts in the per pupil allocation from \$8150 per pupil for SY 2007-2008 to \$7588 per pupil for SY 2008-2009. If HB 1686 is implemented will it be reduced even further and prevent future cuts in the per pupil funding formula?

Further cuts erode KUU's ability to deliver services to the students it serves in very challenging economic times for the Molokai community. KUU employs 70 full and part time employees. The cuts may send a message to the school community and students that the hard work, commitment, performance and the positive results achieved by becoming an NCLB AYP in good standing do not matter.

• HB 1646 states that the DOE shall make the final determination of the per-pupil allocation, would this put the DOE in a position of conflict of interest?

• When there are disputes in the final determination, how will the disputes be resolved? Is there a time limit on dispute resolution? Some of the past disputes have gone on for years and are still unresolved and this has been very detrimental to planning and delivery of consistent and ongoing services?

• What is the timing of the allocation determination and will schools be able to plan so that services to students are not adversely affected?

Conversion Charter School Questions:

- Conversion charter schools buy back services from the DOE. According to Section 1 302-A would this mean that the schools would be paying twice – once off the top with minusing various listed expenses from the DOE operations and then and having to buy back services from the DOE?
- Like their DOE counterparts, conversion charter schools are the feeder school for all of the children in their geographical school community and in this capacity use DOE facilities. Will the conversion charter schools now be responsible for all of repair and maintenance and CIP? What if a roof leaks or blows off as a result of a storm or just ongoing aging of the facility? What if there is a natural disaster that causes major damage? What if the school population grows dramatically?
- As the feeder school, what special education services and funding would be affected and passed on to the conversion charter school?

BACKGROUND

Kualapu`u School (KUU), the largest elementary school on Molokai, became a conversion charter school in 2004 under Act 2 passed by the 2002 Hawaii state legislature. 375 students are enrolled at KUU in the current SY 2008-2009. Act 2 expanded education choices through charter conversion schools in Hawaii and allows eligible non-profit organizations to manage and operate conversion schools.

KUU became a conversion charter school with the Ho'okako'o Corporation (HC) a Hawaii based nonprofit corporation implementing Act 2. HC was established with a partnership between HC's volunteer board of directors and Kamehameha Schools. The non-profit HC volunteer board serves as the local school board for the conversion charter school. The non-profit provides a \$1 match for every \$4 state dollars with funding from Kamehameha Schools. The HC matching dollars are not intended to supplant state funding for public schools.

Conversion charter schools are not under the DOE jurisdiction. However, conversion charter schools are like their DOE counterparts because they are the public feeder school for the geographical community in which the school is located. The conversion schools must accept all students within the public school service area. The school has an obligation to guarantee services that are at minimum comparable to their DOE counterparts.

KUU Outcomes/Results

KUU is very proud of its accomplishments. The school community (administration, parents, teachers, faculty, staff, students and community) has worked very hard to improve student outcomes. KUU has shown a trend of steady growth. KUU achieved AYP 2 of the 4 years

since becoming a conversion charter school and moved from NCLB restructuring status to good Standing. Initial measures of success to improve the outcomes of its 375 students include:

School Year 2006-07

- Growth in reading and math scores
- Increased student attendance
- Decrease in the special education population due to improved identification, remediation, and curriculum
- Offered new programs
- Made NCLB AYP

School Year 2007-08

- Kualapu'u met federal NCLB AYP targets for two consecutive years and was awarded school in good standing status.

Thank you for the opportunity to provide information about HC and KUU and to testify on this legislation.

To: The Honorable Roy Takumi, Chair and
Members of the House Committee on Education

From: Glen Kila, Administrator
Kamaile Academy

Clarence DeLude, Administrator
Kamaile Academy

Date: February 9, 2009
Time: 2:00 pm
Location: State Capitol
Room 309

Subject House Bill (HB) 1686 Relating to Charter Schools

Kamaile Academy (KA) thanks the legislature for its efforts and support over the years to clarify and resolve many of the policies that affect charter school students. KA is very encouraged with the continued legislative efforts to seek resolution to the funding formula and process. KA is uncertain that the current draft of HB 1686 will resolve the questions and concerns and prevent charters from having to return to future legislative sessions to seek resolution.

Some of the questions and concerns are listed below:

- Will what is proposed clarify the funding formula or replace it?
The charter schools received cuts in the per pupil allocation from \$8150 per pupil for SY 2007-2008 to \$7588 per pupil for SY 2008-2009. If HB 1686 is implemented will it be reduced even further and prevent future cuts in the per pupil funding formula?

Kamaile Academy's (KA) enrollment fluctuates dramatically during a school year because of the large number of houseless and homeless families and therefore it is very difficult to project the student enrollment. In addition to big fluctuations in enrollment, two of the five state's new homeless shelters and housing are located within the school's boundaries. HC is very concerned that the children that Kamaile serves need many more student support services i.e. enrichment activities and health and social services. KA is being very proactive in redesigning the school to meet the needs of the students and their families. Further reductions will seriously affect KA plans to serve the neediest of children.

The impact of the homeless and houselessness to KA:

- Difficulty in projecting student enrollment with about 30-35% of the students coming and going throughout a school year; the school enrollment can increase greatly after

the October 15 official student count date and KA will not be eligible for additional funding.

- Enrollment fluctuations (students coming and going and at different achievement levels) make it very challenging for the faculty and staff to provide students with services that are rigorous and relevant for all students at the appropriate achievement level of the student.
- Need for more health and social services to serve critical and chronic needs of students and families.
- School needs to be able to operate like the emergency room of a hospital and given flexibility because of the urgent needs of the students and families.

● HB 1646 states that the DOE shall make the final determination of the per-pupil allocation, would this put the DOE in a position of conflict of interest?

● When there are disputes in the final determination, how will the disputes be resolved? Is there a time limit on dispute resolution? Some of the past disputes have gone on for years and are still unresolved and this has been very detrimental to planning and delivery of consistent and ongoing services?

● What is the timing of the allocation determination and will schools be able to plan so that services to students are not adversely affected?

Conversion Charter School Questions:

● Conversion charter schools buy back services from the DOE. According to Section 1 302-A would this mean that the schools would be paying twice – once off the top with minusing various listed expenses from the DOE operations and then and having to buy back services from the DOE?

● Like their DOE counterparts, conversion charter schools are the feeder school for all of the children in their geographical school community and in this capacity use DOE facilities. Will the conversion charter schools now be responsible for all of repair and maintenance and CIP? What if a roof leaks or blows off as a result of a storm or just ongoing aging of the facility? What if there is a natural disaster that causes major damage? What if the school population grows dramatically?

● As the feeder school, what special education services and funding would be affected and passed on to the conversion charter school?

BACKGROUND

Kamaile Academy (KA), located in Waianae on the leeward coast of Oahu, became a conversion charter school in 2007 under Act 2 passed by the 2002 Hawaii state legislature.

Act 2 expanded education choices through charter conversion schools in Hawaii and allows eligible non-profit organizations to manage and operate conversion schools.

KA became a conversion charter school with the Ho'okako'o Corporation (HC), a Hawaii based nonprofit corporation implementing Act 2. HC was established with a partnership between HC's volunteer board of directors and Kamehameha Schools. The non-profit HC volunteer board serves as the local school board for the conversion charter school. The non-profit provides a \$1 match for every \$4 state dollars. The HC matching dollars are not intended to supplant state funding for public schools.

Conversion charter schools are not under the DOE jurisdiction. However, conversion charter schools are like their DOE counterparts because they are the public feeder school for the geographical community in which the school is located. The conversion schools must accept all students within the public school service area. 712 students are enrolled at KA. The school has an obligation to guarantee services that are at minimum comparable to their DOE counterparts.

A second concern and impact to KA are the DOE personnel policies regarding DOE teacher tenure and reclassification for teachers at a conversion charter school. Because of the uncertainties of DOE policies and their interpretation for conversion charter school teachers, many of the KA teachers chose to leave KA at the end of SY 2007-2008 to return to the DOE. KA was forced to recruit about 16 new teachers and several new counselors. Luckily, the Teach for America program offered its services to KA for SY 2008-2009. This has provided a only a temporary solution. Major changes in the human resource and personnel policies are needed for a permanent solution.

Initial School Progress

In spite of the challenges, KA has made progress.

School Year 2007-08

- Increase in parent involvement
- Increase in community support
- More programs offered for students and their families that are culturally relevant and appropriate

School Year 2008 – 09

- Recruit and hire Teach for America teachers.
- Implement a comprehensive organizational development human resource model including facilitative and shared leadership, improved teacher recruitment, new teacher induction program and plans for new and innovative site based union contract negotiations.
- Approval for opening middle school and for extended day/extended learning time.

Thank you for the opportunity to provide information about HC and KA and to testify on this legislation.

To: The Honorable Roy Takumi, Chair and
Members of the House Committee on Education

From: Lynn Fallin, Executive Director/Chief Executive Officer
Ho'okako'o Corporation

Date: February 9, 2009
Time: 2:00 pm
Location: State Capitol
Room 309

Subject House Bill (HB) 1686 Relating to Charter Schools

The Ho'okako'o Corporation (HC) thanks the legislature for its efforts and support over the years to clarify and to resolve many of the policies that affect charter school students. HC is encouraged by the continued legislative efforts.

The current draft of HB 1686 has generated many questions and concerns. HC raises questions and concerns in good faith and in the interest of seeking resolution to funding for charter schools.

Questions and concerns are listed below:

- HC hopes that the current funding formula and process in HRS 302-B will be followed. Will what is proposed clarify the funding formula or replace the existing formula and process? If HB 1686 is implemented will the student allocation be further reduced?

The charter schools received cuts in the per pupil allocation from \$8150 per pupil for SY 2007-2008 to \$7588 per pupil for SY 2008-2009. HC is concerned about the impact of further reductions to Waimea Middle School, Kamaile Academy and Kualapu'u School.

In SY 2006-2007, the state BOE made a decision to support Waikoloa Elementary School expansion on the Big Island from a K-5 school to a K-8 school. Waikoloa was a feeder school to Waimea Middle School, a public conversion charter school. Waimea Middle's enrollment has been reduced significantly due to the expansion. The Waimea school community is pleased that the students of Waikoloa now have a community school and do not have to commute to Waimea; however as a result of the K-8 expansion, Waimea Middle's student enrollment has been reduced from about 530 students in the first year of conversion in SY 2004-2005 and decreased about 70-80 students from each school year to about 280 students anticipated in SY 09-010. The reduction in student enrollment is forcing WMS to reduce its budget and to make deep and painful cuts in faculty, staff and programs for students in SY 09-010.; Further cuts

will be extremely detrimental to the school being able to deliver services to its' students and fulfill the terms of the charter and meet NCLB requirements.

Kamaile Academy's (KA) enrollment fluctuates (about 34%) dramatically during a school year because of the large number of houseless and homeless families and therefore it is very difficult to project the student enrollment. In addition to big fluctuations in enrollment, two of the five state's new homeless shelters and housing are located within the school's boundaries. HC is very concerned that the children that Kamaile serves need many more student support services i.e. enrichment activities and health and social services. KA is being very proactive in redesigning the school to meet the needs of the neediest of students and their families. Further reductions will seriously affect their plans.

When Kualapu`u School was faced with NCLB sanctions and school reconstitution, KUU chose to convert to charter status. KUU become school in good standing after making NCLB AYP for two consecutive years in SY 2006-2007 and 2007-2008. . Cuts erode Kualapu`u's School (KUU) to maintain its' excellent progress and its' ability to deliver services to the students it serves in very challenging economic times for the Molokai community. KUU employs 70 full and part time employees. The cuts may send a message to the school community and students that the hard work, commitment, performance and the positive results achieved by becoming an NCLB AYP in good standing do not matter.

- HB 1646 states that the DOE "shall determine the per-pupil allocation for charter school operations," would this put the DOE in a position of conflict of interest?
- When there are disputes in the determination, how will the disputes be resolved? Is there a time limit on dispute resolution? Some of the past disputes have gone on for years and are still unresolved. This has been very distracting and detrimental to planning and delivery of consistent and ongoing services.
- What is the timing of the allocation determination and will schools have enough time to plan so that services to students are not adversely affected?
- Charter schools offer many programs to adults and parents such as computer training, family finance and budget, leadership and facilitation and Hawaiian culture and language. How and why were the DOE operations in Section 1 302-A, such as (a) (3) i.e. adult education to be subtracted from the base allocation for purposes of calculating the allocation, determined?

Conversion Charter School Questions:

Like their DOE counterparts, conversion charter schools are the feeder school and serve "all of the children" in their geographical school community. As the feeder school, in the best interest

of the children and families who may have children attending DOE schools in the complex, conversions make every effort to collaborate and coordinate with the DOE.

- Conversion charter schools buy back services from the DOE. Some of these services include services from the DOE systems accountability office and information and resource management. According to Section 1 302-A such as (a) (1), would this mean that the schools would be paying twice – once off the top with minusing various listed expenses from the DOE operations and then buying back services from the DOE?

- As the feeder school for all of the children in their geographical school community conversion schools continue to use the state DOE facilities. Conversion charter schools pay for their daily and minor maintenance. Would the monies subtracted once off the top for DOE operations for Section 1 302-A (a) (4) for facilities maintenance, would this mean that the schools would be paying twice, once off the top and then again when paid by the school for daily and minor facilities maintenance? What about major facilities repair and maintenance and CIP? What if a roof leaks or blows off as a result of a storm or just ongoing aging of the facility? What if there is a natural disaster that causes major damage? What if the school population grows dramatically?

- As the feeder school, what special education services and funding would be affected and passed on to the conversion charter school?

BACKGROUND

Ho'okako'o Corporation is a private, non-profit organization established in 2002.

Our mission is helping HC conversion chart schools reinvent themselves for the purpose of improving the academic achievement and personal growth of their students. Collaborating with communities, educators, and families, Ho'okako'o provides conversion charter schools with expertise and resources to improve student achievement.

The creation of conversion charter schools was made possible in 2002 when the Hawaii legislature passed Act 2. The Act expanded education choices through charter conversion schools in Hawaii and allows eligible non-profit organizations to manage and operate conversion schools and to provide a \$1 match for every \$4 state dollars. The matching funds are intended to enrich and not to supplant state funding of public schools.

Conversion charter schools are not under the DOE jurisdiction. However, conversion charter schools continue in their role as the public feeder school for the geographical community in which the school is located just like DOE schools. The conversion schools must accept all students within the public school service area. The school has an obligation to guarantee services that are at minimum comparable to their DOE counterparts.

HC was established with a partnership between HC's volunteer board of directors and Kamehameha Schools. The non-profit HC volunteer board serves as the school board for the conversion charter school. HC provides and/or brokers technical support in organizational change, instructional expertise, organizational systems and supports, policy and interface with major stakeholders. As an HC partner, KS has contributed technical support and funding. HC and the partner conversion charter schools leverage resources and support from many additional partners, including philanthropic foundations and trusts, government, unions, business and family/community volunteers in order to benefit the conversion charter school as the school implements its plans..

As an education change agent, HC seeks partnerships with public school communities committed to implementing the following necessary conditions for conversion school success:

- Effective school leadership
- Capable teachers with high expectations and the skills to work together in focused learning communities
- Curriculum that is aligned, articulated, and integrated
- Parents and the greater community with a sense of ownership in the school and willingness to be part of the change process
- Personalized schools
- More time on instructional and co-curricular activities
- Data and results driven
- Supportive and effective policies and regulations

Three HC Conversion Charter Schools

The three HC conversion charter schools are in communities with significant socio-economic need. On October 15, 2008, the official student enrollment count date for charter schools, the three schools enrollment for SY 2008-2009 is 1444 students or almost 19% of the charter school enrollment.

- Waimea Middle School, a 6 - 8 grade conversion charter school in Waimea on Hawai'i Island, 357 students
- Kualapu'u Elementary School, a K-6 conversion charter school on Molokai, 375 students
- Kamaile Academy, a K-8 conversion charter school in Waianae on Oahu, 712 students

Examples of School Outcomes/Results

Overall each school has shown a trend of steady growth. Initial measures of success include:

School Year 2006-07

A growth in reading and math scores (at Kualapu'u); increased student attendance at Kualapu'u and Waimea; a decrease in the special education population due to improved identification, remediation, and curriculum (at Kualapu'u); new programs offered (at Kualapu'u and Waimea); greatly increased family involvement (Waimea); Waimea and Kualapu'u achieved NCLB AYP

School Year 2007-08

Kualapu'u met federal NCLB AYP targets for two consecutive years and was awarded school in good standing status.

HC thanks the legislature for the opportunity to provide information about HC and HC schools and to testify on this legislation.

401 Waiakamilo Rd. Unit 1A
Honolulu, Hawai'i
Tel. 832-3594 Fax: 842-9800
Email: laara@halaulokahi.com

February 8, 2009

TO: Committee on Education

FR: Laara Allbrett

RE: OPPOSITION to HB1686, 2/9/09

Aloha Chair Takumi and members of the Committee,

I appreciate the time and energy being given to charter school funding this session to assure our schools the equity we have sought since opening. It has been an arduous 8 years of crusading annually for parity.

While this bill addresses rewriting the funding formula there are other detrimental items included that would not bode well for charter schools, therefore **I ask that you NOT SUPPORT HB1686 in its current form.**

I applaud the committee for seeking to ensure our success by addressing the funding issue, but please know that the other items listed are not in our favor.

Mahalo for your continued work on our behalf,

Laara Allbrett
Director



KAMEHAMEHA SCHOOLS

Testimony to the House Committee on Education

Hearing Date: Monday, February 9, 2009

2:00p.m. – Conference Room 309

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

Re: HB 1686 Relating to Charter Schools

Good afternoon Chair Takumi, Vice Chair Berg and members of the House Committee on Education. My name is Kalei Kailihiwa, Director, Ho'olako Like, of Kamehameha Schools. Thank you for this opportunity to testify regarding HB 1686 relating to charter schools.

We are concerned that the language in this bill may have the potential unintended consequence of lowering the per pupil allocation of funding for public charter schools. 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. We 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.

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HB 1686 RELATING TO CHARTER SCHOOLS
House Committees on Education

February 9, 2009
309

2:00p.m.

Room

Since 2005, the Office of Hawaiian Affairs has been a supporter of the charter school movement, and has collaborated in partnership with the Kamehameha Schools' Hoʻolako Like program, ʻĀha Pūnana Leo, Hoʻokākoʻo Corporation and other non-profit organizations supporting 15+ Hawaiian-focused charter schools statewide, where Native Hawaiians make up about 88% of the student population. Mahalo for this opportunity to advocate on behalf of our Native Hawaiian beneficiaries and to provide testimony on this measure, HB 1686, relating to charter schools.

This legislation advocates for a fair formula necessary to address the ongoing need for equitable charter school funding. Whereas most of Hawai'i's start-up and conversion public charter schools are Hawaiian-focused charter schools and more than 3,000 Native Hawaiian children are enrolled in these schools, continued inequitable funding will jeopardize further success of these culture-based education models and result in a financial crisis that threatens the long-term viability of Hawai'i's public charter school system and impact the well-being of our Hawaiian children and families.

In spite of these challenges and severe under-funding, Hawaiian-focused charter schools have demonstrated their effectiveness in serving our Hawaiian children to be more engaged and attain greater gains in the educational process as compared to their peers in conventional public schools. Our children are succeeding in the Hawaiian-focused charter schools because they are grounded in Hawaiian language, culture and values. The well-being of our Hawaiian families and communities are also enhanced by the positive gains made in our Hawaiian-focused charter schools.

The Board of Trustees, the Administration and the staff of the Office of Hawaiian Affairs is committed to fulfill its education mission to facilitate culturally sound educational opportunities for Native Hawaiians by promoting academic success and life-long learning. To this measure, the Board of Trustees has authorized and allocated 6.6 million dollars over the last three years leveraging other potential resources to fund Hawaiian-focused public charter schools. OHA is in strong support of a funding means that will ensure fair per pupil funding allocation for all public charter schools, provided that any new weighted formula will not result in further reduction of the per pupil allocation. The State is the largest stakeholder and is charged with the greatest responsibility or "kuleana" to make this possible.

It is not enough to make possible the opportunity for our children to attend charter schools. It is incumbent upon us to ensure that the learning environments we create for our children, and indeed for all children, must be

LATE TESTIMONY

reflective of the promising future that we envision for them and for our society.

OHA urges your **SUPPORT** of this and all measures intended to ensure equitable funding and the ongoing success of Hawaiian-focused charter schools. Mahalo nui loa for the opportunity to present this testimony.

Attention: Representative Roy Takumi, Chair, and Members of the Committee on Education

Testimony of Linda Elento, (808) 235-7610

Hearing: Monday, February 9, 2009, 2:00 pm

HB1686

Charter Schools: Funding

I support fair and equitable funding for charter schools, and I ask the Committee on Education to consider additions to HB1686 to clarify funding, the authority of the charter schools and of the Board of Education, and the role of the Executive Director of the Charter School Administrative Office in regards to special education for students at charter schools.

In consideration of Hawaii's definition of charter school (HRS302B-01)--

"Charter school" refers to those public schools holding charters to operate as charter schools under this chapter, including start-up and conversion charter schools, and that have the flexibility and independent authority to implement alternative frameworks with regard to curriculum, facilities management, instructional approach, virtual education, length of the school day, week, or year, and personnel management.

SECTION 1 of the bill should include amendments to HRS302B-15 (Special Education):
The department shall allow charter schools to choose between receiving special education services in the same manner provided to other schools, and other options including receiving funds or a combination of funds and services. Regardless of the choice that the public charter schools make, the State Board of Education must ensure that students with disabilities attending public charter schools and their parents retain all their rights under federal and state laws.

SECTION 2 of the bill should make clear the role of the Executive Director regarding special education policies, procedures, authority and funding.

In accordance with the *Individuals with Disabilities Education Improvement Act of 2004*, Charter Schools should be allowed, by Hawaii statute, to request funding and services as well as individually contract with the Department when special education services are required of its students. Otherwise, the Charter School fails to meet its State definition of Charter School when the Department makes decisions affecting the Charter School's ability to "have the flexibility and independent authority" in the provision of special education services. Children with disabilities are unfairly discriminated against and possibly kept from receiving the unique benefits of the Charter School when the Charter School is not able to determine and implement "alternative frameworks with regard to curriculum, facilities management, instructional approach, virtual education, length of the school day, week, or year, and personnel management" because the Department puts constraints for these children to receive the special education and supports necessary to succeed.

Thank you for the opportunity to present testimony.