

TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
HOUSE BILL NO. 1251, H.D. 1, S.D. 1

April 1, 2015

RELATING TO PUBLIC CHARTER SCHOOLS

House Bill No. 1251, H.D. 1, S.D. 1, proposes to amend Section 302D, HRS, to allow the use of vacant departmental facilities for charter schools or pre-plus programs; make appropriations starting in FY 2017 to assist the State Public Charter School Commission with its facilities funding needs; establishes the "Charter School Facilities Funding Working Group"; provides unspecified general fund appropriations for charter school facilities funding; and authorizes the Director of Finance to issue unspecified general obligation (G.O.) bond funds for this purpose.

The Department of Budget and Finance would like to make several technical comments on this bill with respect to G.O. bond funding for charter schools. First, charter schools already have the ability to request capital funding as part of the budget process through the proposed charter school programs budget submittal. The availability of G.O. bonds and/or funds for capital projects is competitive across all programs of the State - including, the Department of Education, the Hawaii State Public Library System and the University of Hawaii, and every other program in the State.

Second, in determining the appropriateness of providing G.O. bonds to any charter school, the Legislature should consider the following factors with respect to startup charter schools: a) suitable site control arrangements of property occupancy

that is consistent with the duration of long-term debt; b) disposition of buildings and land back to State ownership should a public charter school discontinue its operations; and c) the major financial commitment of funding capital improvements for start-up public charter schools as well as the recurring repair and maintenance costs associated with these facilities.

Third, federal tax law requires that tax-exempt G.O. bond proceeds be used only to finance projects that serve public purposes. Consequently, charter schools would need to ensure no private activity use of general bond funded facilities.

Finally, as funding for these projects is not included in the proposed Executive Budget, an amount for the corresponding annual debt service will need to be included in the Legislature's version of the budget should this bill pass the Legislature.



HB1251 HD1 SD1
RELATING TO PUBLIC CHARTER SCHOOLS
Senate Committee on Ways and Means

April 1, 2015

1:30 p.m.

Room 211

The Office of Hawaiian Affairs (OHA) **SUPPORTS** HB1251 SD1, which seeks to alleviate the unique financial burdens borne by start-up public charter schools, in meeting their facilities needs.

Meeting start-up charter schools' facilities needs has been a challenge for Hawai'i's public charter schools. Currently, start-up charter schools must use operational funds to pay for the costs of their facilities. This is a cost that is not borne by conversion charter schools, nor by schools under the Hawai'i State Department of Education (DOE). To address this disparity, HB1251 SD1 proposes the potential use of vacant state facilities by public charter schools and early learning programs; the establishment of a charter school facilities funding working group; the inclusion of additional funding information, including information relating to facilities and projects funding, in the annual report by the State Public Charter School Commission; and the authorization of general obligation bonds and the appropriation of general funds for public charter school facilities' design, planning, construction, repair and maintenance purposes.

OHA believes that every aforementioned element of HB1251 SD1 is critical to relieving the significant and unique financial burdens felt by public charter schools in meeting their facilities needs.

HB1251 SD1 helps to bring parity to charter schools, and helps to address the longstanding problem of financing their facilities. OHA strongly supports this measure, and therefore urges the Committee to **PASS** HB1251 SD1.

Mahalo nui for the opportunity to testify on this measure.

DAVID IGE
GOVERNOR



CATHERINE PAYNE
CHAIRPERSON

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

<http://CharterCommission.Hawaii.Gov>
1111 Bishop Street, Suite 516, Honolulu, Hawaii 96813
Tel: (808) 586-3775 Fax: (808) 586-3776

FOR: HB 1251 HD1 SD1 Relating to Public Charter Schools
DATE: Wednesday, April 1, 2015
TIME: 1:30 p.m.
COMMITTEE(S): Senate Committee on Ways and Means
ROOM: Conference Room 211
FROM: Tom Hutton, Executive Director
State Public Charter School Commission

Chair Tokuda, Vice Chair Kouchi, and members of the Committee:

The State Public Charter School Commission appreciates the opportunity to submit this testimony in support of House Bill 1251 HD1 SD1, "Relating to Public Charter Schools," which would provide much needed support for public charter school facilities. Among other things, the bill would:

1. Establish a charter school facilities funding working group, to include the Director of Finance, the Comptroller, the Superintendent of Education, and individuals with expertise in real estate and finance, respectively, which would act in an advisory capacity to prioritize the allocation of funds and bond proceeds for charter school facilities based on criteria established by the Commission and taking into account considerations specified in the bill, including the amount of risk and availability of recourse to the State;
2. Authorize the issuance of general obligation bonds for charter school facilities design, planning, construction, repair, and maintenance;
3. Appropriate general funds for charter school facilities;
4. Impose related reporting requirements; and
5. Require state departments to identify unused properties that may be suitable for use by a charter school or a pre-plus program.

The Commission would like to note that under Section 302D-19, Hawaii Revised Statutes:

(c) In the event of a public charter school closure for any reason, if the public charter school received an appropriation for capital improvements to its facilities, the charter school or its authorizer shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amounts appropriated.

The Department of the Attorney General had testified earlier this Session on another bill that would provide for charter school facilities funding, Senate Bill 849, recommending that the Legislature provide somewhat more direction in the measure as to the types of charter school projects that could be funded under this lump-sum approach. The Commission would appreciate the flexibility to consider as full a range of charter school facilities needs as possible, but if there is any legal concern whatsoever with the discretion this bill would afford the proposed charter school facilities funding working group, then we would respectfully suggest that Section 4 of the bill be amended so that the new proposed HRS §302-29.5(a) reads as follows, along with any corresponding revisions to other sections of the bill as may be appropriate:

(a) Beginning with the 2016-2017 fiscal year, and each fiscal year thereafter, the legislature shall consider to make an appropriation and bond authorization to the commission for the design, planning, construction, repair, and maintenance of charter school improvements to address issues of health, safety, and legal compliance; expand or improve instructional space; provide for food services; and provide restroom facilities. Such appropriation and bond authorization shall be separate from, and in addition to, any appropriation made to charter schools pursuant to sections 302D-28 and 302D-29.5. These amounts shall be prioritized for allocation by the charter school facilities working group. [New language italicized.]

In conclusion, the Commission would like to acknowledge the State's fiscal challenges. Nevertheless, we remain hopeful that among the various proposals currently in motion in the Legislature, a way can finally be found to make a start in addressing this longstanding problem.

Thank you for the opportunity to provide this testimony.



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

Wil Okabe
President
Joan Kamila Lewis
Vice President
Colleen Pasco
Secretary-Treasurer
Wilbert Holck
Executive Director

TESTIMONY BEFORE THE SENATE
COMMITTEE ON WAYS AND MEANS

DATE: WEDNESDAY, APRIL 1, 2015

RE: HB1251, HD1, SD1 – FACILITIES FOR PUBLIC CHARTER SCHOOLS
AND EARLY LEARNING PROGRAMS

PERSON TESTIFYING: JOAN LEWIS, VICE PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

The Honorable Chair Jill Tokuda, Vice Chair Ron Kouchi and Members of the
Committee:

The Hawaii State Teachers Association (HSTA) supports **HB 1251, HD1 S.D.1**, relating
to facilities for Charter Schools and Early Learning programs.

HSTA has long supported early learning and believes this bill reinforces the concept of
“children first”. Providing facilities for Charter Schools and Early Learning is an
appropriate use of state lands and facilities. This is a first step towards the
establishment of an ongoing relationship between the departments to facilitate the use
of their facilities for the benefit of learning opportunities in a variety of educational
scenarios.

HSTA appreciates the support of the legislature in recognizing the need for facilities for
both Charter Schools and Early Learning programs.

HSTA support HB1251, HD 1, SD1.



TO: Honorable Jill Tokuda, Chair
Honorable Ronald Kouchi, Vice Chair
Members of the Committee on Ways and Means

DATE: April 1, 2015
TIME: 1:30 p.m.
PLACE: Conference Room 211
Hawai'i State Capitol

FROM: Kamehameha Schools

RE: HOUSE BILL 1251, HD1, SD1 RELATING TO PUBLIC CHARTER SCHOOLS

Thank you for this opportunity to testify in support of HB 1251, HD1, SD1 relating to facilities funding for charter schools.

Among other provisions, this bill would appropriate funds for public charter schools and authorize the issuance of general obligation bonds for public charter school facilities' design, planning, construction, repair, and maintenance.

Kamehameha Schools supports promoting the achievement and success of Hawai'i's public school students and, as such, has been a collaborator with the Hawai'i public charter schools for over a decade. Through our work with public charter schools, we hope to significantly impact more children and their families through education. We believe charter schools provide positive choices for education and ultimately enhance both achievement and engagement for students across Hawai'i.

The establishment and incorporation of a charter school facilities funding working group coupled with appropriated funds for public charter schools would provide much needed financial support for the charter school system. We ask that you help to provide our state's most innovative educators with the strong support and stable foundation that they need continue their positive growth. We believe efforts to improve the public charter school system improve access to education and, ultimately, enhance education for all of Hawai'i's children.

Thank you for the opportunity to testify on this measure.



Ke Kula 'o Samuel M. Kamakau
Laboratory Public Charter School

46-500 Kūneki St. Kāne'ohe, Hawai'i 96744 *Kelepona: 808.235.9175 *Kelepa'i: 808.235.9173
E mālama 'ia ana ka mauili ola o kākou mai kēlā hanauna a i kēia hanauna.

TESTIMONY

Senate Committee on Ways and Means
Wednesday, April 1, 2015, 1:30 p.m.
Conference Room 211

To: Chair Tokuda, Vice Chair Kouchi, and Members of the Committee

HB1251, HD1, SD1: RELATING TO PUBLIC CHARTER SCHOOLS

Mahalo for this opportunity to testify in **full support** of HD1251, HD1, SD1, a bill that

- requires state departments, upon the closure of facilities, to consider the facility's suitability for use by public charter schools or early learning pre-plus programs, and to notify the state public charter schools commission or executive office on early learning of the availability and suitability of the facility
- requires more detailed annual reporting by the state public charter school commission
- establishes a charter school facilities funding working group;
- authorizes the issuance of general obligation bonds, and
- appropriates funds for public charter school facilities design, planning, construction, repair and maintenance.

Since our inception as a New Century Public Charter School in 2000, Ke Kula 'o Samuel M. Kamakau has leveraged over \$5 million in federal and private funds to develop our current facilities in Ha'ikū, He'eia, O'ahu. We have managed to survive these past 15 years as a result of our valuable community partnerships with such organizations as DHHL, USDA-RD, private educational institutions, community and family foundations, donations and numerous volunteers. There are still many capital improvement projects that must be addressed and completed on campus to adequately serve our student population. Every child is deserving of safe public school facilities, including those who chose to enroll in the charter schools.

This bill would provide the dire support needed for the **Public Charter Schools**. Efforts to improve our current system will not only greatly impact the education of our students, but it will also enhance the education of the state.

Mahalo for this opportunity to testify on this measure.

Me ke aloha,

Ivy K. Kelling, Ed.D.
Kahu, Director

HB1251

Submitted on: 3/31/2015

Testimony for WAM on Apr 1, 2015 13:30PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
phil fisher	Kona Pacific Public Charter School	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: mariahm@kppcs.org
Subject: Submitted testimony for HB1251 on Apr 1, 2015 13:30PM
Date: Tuesday, March 31, 2015 4:26:10 PM

HB1251

Submitted on: 3/31/2015

Testimony for WAM on Apr 1, 2015 13:30PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Mariah Mann	Individual	Comments Only	No

Comments: I grew up on the Big Island and was one of the first students to go to West Hawaii Explorations Academy (WHEA). I moved away to go to University and was worried that if I moved back to Kona my children might have to go through some of the same things I went through at Konawaena but in the last 15 - 20 years amazing charter schools have opened and are thriving! They just need help, your help with one final thing, facilities funding! I am going to send my two children to Kona Pacific Public Charter School and I want them to have all the possibilities and facilities the world has to offer them. Please help us! Mahalo nui loa and malama pono!

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: handsonhawaii@yahoo.com
Subject: Submitted testimony for HB1251 on Apr 1, 2015 13:30PM
Date: Tuesday, March 31, 2015 3:09:37 PM

HB1251

Submitted on: 3/31/2015

Testimony for WAM on Apr 1, 2015 13:30PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Rachel Lansdale	Individual	Comments Only	No

Comments: Every child in Hawaii needs facility support in order to thrive.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: jaygirlmaui@gmail.com
Subject: Submitted testimony for HB1251 on Apr 1, 2015 13:30PM
Date: Tuesday, March 31, 2015 1:34:01 PM

HB1251

Submitted on: 3/31/2015

Testimony for WAM on Apr 1, 2015 13:30PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
jay carroll	Individual	Support	No

Comments: My taxes should support my childs school.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: mkramer@hawaii.rr.com
Subject: Submitted testimony for HB1251 on Apr 1, 2015 13:30PM
Date: Tuesday, March 31, 2015 1:16:23 PM

HB1251

Submitted on: 3/31/2015

Testimony for WAM on Apr 1, 2015 13:30PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Kramer	Individual	Support	No

Comments: Fairness is a core principle of public education, which is why charter school students deserve the same types of resources as other public school students

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: turtlebay1988@gmail.com
Subject: Submitted testimony for HB1251 on Apr 1, 2015 13:30PM
Date: Tuesday, March 31, 2015 12:37:32 PM

HB1251

Submitted on: 3/31/2015

Testimony for WAM on Apr 1, 2015 13:30PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
susan cobb-adams	Individual	Support	No

Comments: I strongly support this measure. My daughter has been attending Kona Pacific Public Charter School since the 1st grade. She is in 3rd grade now. She loves her school and her teachers. The charter schools deserve to have at least the same funding as public schools. We live in Ocean View and our school is in Kealahou. We drive her to and from school everyday, passing 3 other public elementary schools. My daughter doesn't want to go to the closer schools. We work from home, which adds to the time on the road as well as the expense of taking her to and from school. But it is well worth it. The charter schools provide the attention as well as education that just can't be matched in public schools. I have family members in several public schools in Hawaii and the education and environment just can't match up to what is offered at a charter. My daughter gets lots of attention from teachers and I get lots of feedback. She gets excellent grades and looks forward to going to school. I don't see this enthusiasm in other children I am around who don't go to a charter. I will continue the daily drive back and forth until my daughter completes the 8th grade. It is my hope that by that time, Kona Pacific will offer grades 9th to 12th grade. That would be a blessing to many families who want a better education for their children. Mahalo!!!

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: mailani22@gmail.com
Subject: Submitted testimony for HB1251 on Apr 1, 2015 13:30PM
Date: Tuesday, March 31, 2015 12:12:31 PM

HB1251

Submitted on: 3/31/2015

Testimony for WAM on Apr 1, 2015 13:30PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Rene Souza	Individual	Support	No

Comments: My taxes should support my child's school facility.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: delaniamail@gmail.com
Subject: Submitted testimony for HB1251 on Apr 1, 2015 13:30PM
Date: Tuesday, March 31, 2015 12:09:30 PM

HB1251

Submitted on: 3/31/2015

Testimony for WAM on Apr 1, 2015 13:30PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Delania Branham	Individual	Support	No

Comments: My child deserves facilities support.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: ukotner@mindspring.com
Subject: Submitted testimony for HB1251 on Apr 1, 2015 13:30PM
Date: Tuesday, March 31, 2015 12:00:20 PM

HB1251

Submitted on: 3/31/2015

Testimony for WAM on Apr 1, 2015 13:30PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Usha Kotner	Individual	Support	No

Comments: Financial support for Hawai'i charter school facilities is the missing piece in terms of supporting charter school success. There is significant research showing that adequate educational facilities contributes to student success. Without facilities funding support, charter schools are required to dedicate funds to facilities, which funds would otherwise be allocated to supporting the schools' educational programs. In addition, lack of facility funding for charters presents an equity issue for charter school teachers, who are held to the same standards in terms of their students' performance, but who have significantly less resources with which to work. This legislation is a great step toward solving the puzzle of how to adequately support public education in charter schools.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: leahv@kppcs.org
Subject: Submitted testimony for HB1251 on Apr 1, 2015 13:30PM
Date: Tuesday, March 31, 2015 11:56:48 AM

HB1251

Submitted on: 3/31/2015

Testimony for WAM on Apr 1, 2015 13:30PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Leah Vines	Individual	Support	No

Comments: Facilities funding for Charter Schools is long overdue. Please move this bill forward. Mahalo!

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: wendyh@kppcs.org
Subject: Submitted testimony for HB1251 on Apr 1, 2015 13:30PM
Date: Tuesday, March 31, 2015 11:04:04 AM

HB1251

Submitted on: 3/31/2015

Testimony for WAM on Apr 1, 2015 13:30PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Wendy Holden	Individual	Comments Only	No

Comments: Please support Hawaii Public Charter Schools!

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: markeno@mac.com
Subject: Submitted testimony for HB1251 on Apr 1, 2015 13:30PM
Date: Monday, March 30, 2015 4:47:33 PM

HB1251

Submitted on: 3/30/2015

Testimony for WAM on Apr 1, 2015 13:30PM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Mark Enomoto	Individual	Support	No

Comments: My daughter attends SEEQS Charter Middle School and our growth depends on finding a permanent facility for our students to continue onto an originally planned high school. As such the students in the 8th grade will have to continue onto public or private schools. Many of these parents were founding parents at our school and put an enormous amount of sweat equity and personal finances to make our school what it is today. My daughter is in the 6th grade and will continue into the 7th and 8th grades of SEEQS and with the passing of this bill will enable our school and my daughter to continue on with high school. We are a small school, but the faculty is phenomenal and I feel as if we are receiving a private school education at a public school price. Providing us with a facility will enable our students and faculty to really take our school to the next level and to be an example of what 21st century education can be. Please support HB1251 and the students and dedicated faculty of SEEQS. Aloha, Mark Enomoto, parent

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov