

STATE OF HAWAI'I BOARD OF EDUCATION P.O. BOX 2360 HONOLULU, HAWAI'I 96804

Testimony of Warren Haruki Chairperson, Board of Education Chairperson, 2024 Legislative Ad Hoc Committee

## House Committee on Education

Thursday, March 21, 2024 2:00 p.m. Hawaii State Capitol, Room 309

Measure: HCR79 / HR64

## Measure Title:

REQUESTING THE BOARD OF EDUCATION, IN PARTNERSHIP WITH THE STATE PUBLIC CHARTER SCHOOL COMMISSION, TO SUBMIT A REPORT ON INCREASING ACCESS TO STABLE, SUITABLE, AND AFFORDABLE FACILITIES FOR PUBLIC CHARTER SCHOOLS.

Aloha Chair Woodson, Vice Chair La Chica, and Members of the Committee:

The Board of Education (Board) respectfully offers comments on HCR79 and HR64.

The Board recognizes that a major and ongoing challenge for charter schools is the lack of facilities funding, and appreciates the intent of these resolutions. However, we note that the actions requested are beyond the scope, expertise, and technical capacity of the Board and its staff, and may be better handled by other agencies.

The Board will work collaboratively with the Hawaii State Public Charter School Commission as needed, in other respects related to charter school facilities.

Mahalo for this opportunity to testify on behalf of the Board.



CATHY K. IKEDA CHAIRPERSON

#### STATE OF HAWAII

#### STATE PUBLIC CHARTER SCHOOL COMMISSION ('AHA KULA HO'ĀMANA)

http://CharterCommission.Hawaii.Gov 1164 Bishop Street, Suite 1100, Honolulu, Hawaii 96813 Tel: (808) 586-3775 Fax: (808) 586-3776

FOR:	House Concurrent Resolution 79/House Resolution 64
DATE:	March 21, 2024
TIME:	2:00 P.M.
COMMITTEE:	Committee on Education
ROOM:	Conference Room 309 & Videoconference
FROM:	Ed H. Noh, Ed. D., Executive Director State Public Charter School Commission

Chair Woodson, Vice Chair La Chica, and members of the Committee:

The State Public Charter School Commission ("Commission") appreciates the opportunity to **SUPPORT THE INTENT of HCR 79/HR 64** which requests the Board of Education, in partnership with the State Public Charter School Commission, to submit a report on increasing access to stable, suitable, and affordable facilities for public charter schools.

The Commission would like to clarify that this testimony is specific to and reflects only the views of the Commission. We respect that the Board of Education may have a differing perspective on this matter.

One of the Standing Advocacy Principles of the Commission states:

"Charter Schools must be funded and supported adequately to be able to meet the educational needs of their students and to fulfill their role as a strategy for system-wide improvement. This particularly includes funding and other support for adequate facilities."

Support and access to improved charter school facilities continues to be an issue that the Commission is aware affects a majority of charter schools. The Commission convened and issued a report from a Charter School Facilities Funding Working Group in March 2019 that developed a funding model should facilities funding be provided. Members of the working group included various state agencies, such as the Department of Education, Budget and

Finance, and Accounting and General Services. A <u>copy of the report is available here</u> on the Commission website.

In regards to **HCR 79/HR 64**, the Commission would like to raise concerns that items required for the facilities report, such as the assessment of other state departments and drafting policy that would increase accountability and oversight over the unused and underutilized facilities of other state departments, are outside the purview and expertise of the Commission.

Thank you for the opportunity to provide this testimony.



david.miyashiro@hawaiikidscar hawaiikidscan.org David Miyashiro Executive Director

March 21, 2024

Committee on Education Rep. Justin H. Woodson, Chair Rep. Trish La Chica, Vice Chair

Aloha Chair Woodson, Vice Chair La Chica, and Members of the Committee,

HawaiiKidsCAN strongly supports HR64/HCR79, which requests the Board of Education, in partnership with the State Public Charter School Commission, to submit a report on increasing access to stable, suitable, and affordable facilities for public charter schools.

Founded in 2017, HawaiiKidsCAN is a local nonprofit organization committed to ensuring that Hawaii has an excellent and equitable education system that reflects the true voices of our communities and, in turn, has a transformational impact on our children and our state. We strongly believe that all students should have access to excellent educational opportunities, regardless of family income levels and circumstances.

Hawaii's public charter schools play a critical and growing role in our local education system. From Pre-K to 12<sup>th</sup> grade, there are 37 charter schools in the state serving more than 12,000 students on five islands; Hawaii Island, Kauai, Maui, Molokai, and Oahu. Unfortunately, charter schools have long struggled with attaining and sustaining high-quality facilities, a challenge that has been well-documented over the years.

While state appropriations to specifically support charter school facilities would be tremendously impactful, HR64/HCR79 is an important step forward in recognizing that there are additional strategies that could enable schools to address their facilities needs. This includes accessing unused or underutilized state facilities, exploring innovative financing options like revolving loan funds, and better supporting schools to access existing federal funds.

In uncertain economic times, it's more important than ever that our education system and legislature can exhaust the full range of opportunities to support public charter schools.

Mahalo for your consideration,

David Miyashiro Founding Executive Director HawaiiKidsCAN

# **Co-signers**



Name	Zip code	Organization
Lillian Coltin	96813	
Phaedra Elisabeth Robinson	96734	RAI Hawaii LLC
Mataifono Tamapua	96707	

1. Jim Griffin, and I'm with a research and policy organization called Momentum Strategy & Research, but for the moment, I'm wearing a slightly different hat - pinch-hitting for the National Alliance for Public Charter Schools and registering the Alliance's support for the proposed resolution. Appropriately enough, I was in Hawaii earlier this month, and had the chance to visit several different charter school campuses across multiple islands as part of a program we operate helping schools identify and access long-term facility solutions.

From their beginning in 1992, charter school statutes largely left charter schools on their own to figure out what they would do for their school's facility. Some schools found their way into available district facilities, but most had to find suitable facilities they could rent or purchase. Because states didn't provide charter schools with dedicated facilities funding, they paid for their buildings out of general operating funds – 15% being a commonly cited percentage of operating funds spent on facilities costs. This charter school facilities dilemma stands in stark contrast to school districts, where most assets (land and buildings) are and have been owned by the district for many years, and any new capital costs are paid for through separate and dedicated revenue sources (e.g., local bond elections) established for that purpose.

It was several years into the charter school experience before states began to address their facilities needs with dedicated funding, improved access to district facilities, and mechanisms supporting charter school financing.

**Facilities Funding**:. Over the years, states have gradually developed a variety of policy arrangements to provide facilities funding.

- <u>Per-Pupil Facilities Funding</u>: Refers to facilities specific dollar amounts added to what charter schools otherwise receive for their operations (19 states with dollar amounts ranging from a couple hundred to 5,000 per pupil under some circumstances in NYC).
- <u>State Charter School Grant Programs</u>: Refers to state grant programs established to support charter school facility needs.
- <u>State Public School Capital Funding Programs</u>: Refers to state programs established to support facility needs within the state's K-12 system.

Access to Local Assets: As the nation's public education system is largely operated by school districts, these districts generally own existing public-school buildings and pay for their facilities' needs using local property taxes. By contrast, charter schools must find suitable facilities on their own and pay occupancy costs largely with operating funds. By enacting statutes providing charter schools with access to available district owned facilities and the local property tax streams designed for facilities purposes, policymakers can minimize charter schools having to spend operating dollars on facilities needs.

<u>Access to Underutilized District Facilities</u>: Refers to statutes supporting charter school access to underutilized district facilities, either through lease or purchase. May include co-location or standalone facilities and access to available district land.

<u>Access to Local District Tax Base – Bond and Mill Levy Dollars</u>: Refers to whether charter schools are eligible to benefit from school district bonds used to fund district capital projects.

**Financing Support:** Without widespread access to existing public facilities charter schools use a variety of financing mechanisms to purchase or build their permanent facility. Some charter schools, especially newer and smaller schools, struggle to access affordable financing. Even charter schools with the strongest credit find the costs involved well above what school districts pay for analogous financing. In response, state policymakers have identified several financing policies to both increase accessibility and affordability for charter school facilities.

<u>State Charter School Loan Programs</u>: Refers to state loan programs established to provide lower cost or more accessible financing options.

<u>State Credit Enhancement with Public Funding</u>: Refers to policies using public funds (state or federal) to enhance the credit of prospective charter school borrowers.

<u>State Credit Enhancement with State Credit</u>: Refers to where the state's credit is used to enhance charter school financing.

<u>Tax-exempt Issuance</u>: Refers to whether statutes explicitly authorize charter school access to tax-exempt debt along with mechanisms to ensure accessible and affordable issuance.

### HCR-79 Submitted on: 3/19/2024 3:08:14 PM Testimony for EDN on 3/21/2024 2:00:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Taffi Wise	Kanu o ka Aina	Support	Written Testimony Only

Comments:

I fully support this resolution as mandated in our Hawaii State Constitution - Article X Education

"This article was renumbered from Article IX to be Article X by Const Con 1978 and election Nov 7, 1978. The former Article X now appears as Article XI. 10.1 Public educationThe State shall provide for the establishment, support and control of a statewide system of public schools free from sectarian control, a state university, public libraries and such other educational institutions as may be deemed desirable, **including physical facilities therefor**..."

Me ka ha'aha'a,

Taffi Wise

LATE \*Testimony submitted late may not be considered by the Committee for decision making purposes.

## <u>HCR-79</u>

Submitted on: 3/20/2024 8:43:19 PM Testimony for EDN on 3/21/2024 2:00:00 PM



Submitted By	Organization	<b>Testifier Position</b>	Testify
LYDIA TRINIDAD	Kualapuu Public Charter School, (Conversion School, Molokai)	Support	Written Testimony Only

Comments:

I support increasing access to stable, suitable, affordable, and SAFE facilities for ALL public charter school. A report or study is a helpful step in the right direction.

### HCR-79 Submitted on: 3/19/2024 5:39:50 PM Testimony for EDN on 3/21/2024 2:00:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Kristi Desaucido	Individual	Support	Written Testimony Only

Comments:

Subject: Testimony in Support of Bill 79 HCR – Enhancing Facility Access for Public Charter Schools

I am writing to express my strong support for Bill 79 HCR, which requests the Board of Education, in partnership with the State Public Charter School Commission, submit a report on increasing public charter schools' access to stable, suitable, and affordable facilities. As an advocate for equitable education and someone who understands the vital role of the environment in learning, I believe this bill addresses a fundamental challenge public charter schools face.

Access to appropriate and affordable facilities is a cornerstone for the successful operation of any educational institution. Public charter schools, which often serve diverse and underrepresented communities, are particularly affected by this lack of access and already receive less funding per pupil than public schools. This impediment hampers their ability to provide quality education and restricts their growth and the fulfillment of their mission to serve more students.

The passage of Bill 79 HCR would be a significant step toward acknowledging and addressing these challenges. By requiring a detailed report on the current state of facilities access for public charter schools, we can better understand the scope of the issues at hand. This, in turn, will provide valuable insights into potential solutions and strategies to ensure that all public charter schools can operate in environments conducive to learning.

Furthermore, the collaboration between the Board of Education and the State Public Charter School Commission symbolizes a unified approach to supporting our children's educational needs. It demonstrates a commitment to fostering partnerships that can lead to innovative solutions and shared resources, ultimately benefiting students nationwide.

Providing stable, suitable, and affordable facilities for public charter schools is more than a matter of logistics; it is a matter of equity and opportunity. Every child, regardless of their background or school type, deserves to learn in an environment that supports their educational journey and nurtures their potential.

In conclusion, I urge you to support Bill 79 HCR. By doing so, we take a critical step towards ensuring that public charter schools have the resources and support they need to thrive. This bill benefits public charter schools and their students and strengthens our education system as a whole.

Thank you for your attention to this crucial issue.

Sincerely, Kristi Desuacido

HCR-79 Submitted on: 3/20/2024 7:49:12 AM Testimony for EDN on 3/21/2024 2:00:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Leona Blankley	Individual	Support	Written Testimony Only

Comments:

Please support HCR79 for all children to have access to education.

# <u>HCR-79</u>

Submitted on: 3/20/2024 8:21:28 AM Testimony for EDN on 3/21/2024 2:00:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Laura Rehmert	Individual	Support	Written Testimony Only

Comments:

Aloha kākou, I support adequate funding for our Hawai'i State Public Charter Schools. The Charter Schools absolutely need facilities funding.