

JOSH GREEN, M.D.
GOVERNOR



MAKALAPUA ALENCASTRE, ED. D.
CHAIRPERSON

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

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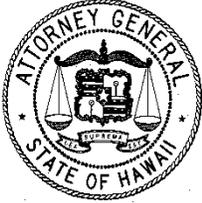
FOR: HB 2381 RELATING TO PUBLIC CHARTER SCHOOLS
DATE: February 19, 2026
TIME: 2:00 P.M.
COMMITTEE: Committee on Education
ROOM: Conference Room 309 & Videoconference
FROM: Ed H. Noh, Ed. D., Executive Director
State Public Charter School Commission

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

The State Public Charter School Commission (“Commission”) appreciates the opportunity to offer testimony in **SUPPORT of HB 2381** which requires that incentives paid to public charter school teachers under the Teacher National Board Certification Incentive Program and other teacher differentials be excluded from the non-facility general fund per pupil allocation to public charter schools.

The Commission appreciates the Legislature’s efforts to ensure that teacher incentives are separated from the lump sum allocation that is charter school per pupil funding. Without this separation, teacher incentives could be paid out to all public charter schools, including to schools that do not have National Board Certified teachers or are not eligible for the Hard-to-Staff and Hawaiian Immersion differentials.

The Commission is prepared to work with the Legislature on implementing the requirements of this measure. Thank you for the opportunity to provide this testimony.



TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2026

ON THE FOLLOWING MEASURE:

H.B. NO. 2381, RELATING TO PUBLIC CHARTER SCHOOLS.

BEFORE THE:

HOUSE COMMITTEE ON EDUCATION

DATE: Thursday, February 19, 2026 **TIME:** 2:00 p.m.

LOCATION: State Capitol, Room 309

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Anne T. Horiuchi or Randall M. Wat, Deputy Attorneys General

Chair Woodson and Members of the Committee:

The Department of the Attorney General (Department) provides the following comments.

This bill requires the incentives paid to public charter school teachers under the Teacher National Board Certification Incentive Program (Incentive Program), as well as other teacher differentials, to be budgeted through the State Public Charter School Commission (Commission), rather than being charged directly to or deducted from charter schools' per-pupil allocations.

The Incentive Program is set forth in section 302A-706, Hawaii Revised Statutes (HRS), and is established within the Department of Education (DOE). See section 302A-706(a), HRS. Although the Incentive Program refers to "public school teachers," the definition of which includes charter school teachers (see section 302A-101, HRS), the DOE is not the employer of charter school teachers. Charter school teachers are employed by their respective public charter schools.

To effectuate the bill's apparent intent and to avoid implementation ambiguity, the Department recommends the following revisions:

1. Revise section 302D-28(a)(2)(B), on page 2, lines 3-5, as follows:

(B) Amounts provided to charter school teachers under section ~~[302A-706]~~
302D- and other teacher differentials approved by the department[;]
and implemented by public charter schools; and

(Suggested changes Ramseyered against the existing text and in bold.)

2. Insert a new section in the bill to add a new section to chapter 302D, HRS, that mirrors section 302A-706, HRS, but replaces "department" with "commission" and replaces "public school teacher" with "charter school teacher." This would establish a teacher national board certification incentive program for charter school teachers. The suggested new section would read as follows:

SECTION . Chapter 302D, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§302D- Teacher national board certification incentive program. (a)
There is established within the **commission** the teacher national board certification incentive program to recognize and support exemplary teaching practice by supporting public school teachers who have achieved national board certification under the certification program of the National Board for Professional Teaching Standards. The teacher national board certification incentive program shall provide:

- (1) A \$5,000 bonus per year for each public school teacher who maintains current national board certification;
 - (2) \$1,500 upon completing all components of the certification program of the National Board for Professional Teaching Standards;
 - (3) A reimbursement of the remainder of the national board certification application fee upon achievement of national board certification; and
 - (4) An additional \$5,000 bonus per year for each public school teacher who maintains current national board certification and who teaches at:
 - (A) A school in a focus, priority, or other similar designation, as determined by the **commission**;
 - (B) A school with a high turnover rate, as determined by the **commission**; or
 - (C) A hard-to-fill school, as determined by the **commission**.
- (b) The incentive program shall include a mentoring component that encourages and enables national board-certified teachers to assist other teachers and share their teaching expertise."

Thank you for the opportunity to provide comments on this bill.



TESTIMONY IN STRONG SUPPORT OF HOUSE BILL 2381
RELATING TO CHARTER SCHOOLS

Ke Kōmike Hale o ka Ho‘ona‘auao
(House Committee on Education)

Ke Kapitala ‘o Hawai‘i
(Hawai‘i State Capitol)

Pepeluali 19, 2026

2:00PM

Lumi 309

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

The leadership of the Office of Hawaiian Affairs **SUPPORTS HB2381** which will provide the Hawai‘i Public Charter School Commission (Commission) with separate funding for incentive programs and teacher differentials to assist with teacher recruitment, retention, and fair pay. Without dedicated funding, charter schools must use per-pupil funding to support teacher incentives, diverting resources from other classroom educational priorities.

Of the 37 charter schools statewide, 17 are Hawaiian culture-based or Hawaiian language immersion schools. These public charter schools rely on per-pupil funding to pay for direct educational costs, such as teacher salaries, as well as facilities expenses. Unlike DOE schools with dedicated facilities and support, many public charter schools—particularly start-ups—must use a significant amount of their per-pupil funding to pay rent and maintenance costs for classrooms and other facilities. Absent separate funding as established in this bill, teacher incentives must be paid from per pupil allocations unless the school can secure other funding outside regular state funding streams.

OHA has historically prioritized investments in Hawaiian culture-based or Hawaiian language charter schools to help close funding gaps. Most recently, for the 2026-2027 fiscal year, OHA invested \$6.88 million into Hawaiian-focused charter

schools to address funding inequities.¹ Consistent with this goal, HB2381 advances more equitable funding for charter schools by creating a dedicated source for teacher incentives to attract and retain highly qualified teachers. The Commission can provide earned incentives and differentials while preserving per-pupil funds for direct student support.

Mahalo nui for the opportunity to testify on this critical issue. Please note this testimony represents a recommendation by OHA leadership that is subject to full Board approval.

¹ Office of Hawaiian Affairs, 2025 Annual Report, https://www.oha.org/wp-content/uploads/2025annualreport_WEB.pdf (last accessed on 2/17/2026).



Testimony in Strong Support of House Bill 2381

EDN on Thursday, 02-19-26 2:00PM in House
conference room 309

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

The Hawaii Public Charter Schools Network strongly supports the intent of HB 2381 with critical amendments proposed below to ensure its successful implementation. Currently, charter schools must often pay for teacher incentives (such as National Board Certification and other differentials) out of their general per-pupil allocation. This creates a disparity where charter schools effectively pay a "penalty" for hiring highly qualified teachers, as these costs drain funds intended for general school operations and student services.

HB 2381 correctly addresses this by:

- 1. Excluding these differentials from the per-pupil funding formula***
- 2. Shifting the funding request to the State Public Charter School Commission's separate budget***
- 3. Protecting per-pupil allocations from being reduced to cover these specific costs***

While the policy shift is excellent, the current mechanics of the bill create significant financial risks for our schools. We respectfully request the following amendments to prevent "unfunded mandates" and cash-flow crises.

1. Prevent a "Funding Trap" (Section 1)

The bill strictly prohibits charging these costs to per-pupil allocations. If the Legislature's appropriation to the Commission falls short, schools will be legally obligated to pay teachers but legally prohibited from using their operating funds to do so.

- Proposed Amendment: Allow per-pupil funds to be used as a temporary backstop with guaranteed reimbursement.
 - *Suggested Text: "No costs under subsections (a)(2)(B) shall be charged directly to... allocations, except in the event that the appropriation to the Commission is insufficient. In such cases, charter schools may temporarily fund these costs from per-pupil allocations and shall be reimbursed by a deficiency appropriation."*

2. Ensure Timely Disbursement (Section 1)

The bill does not specify when the Commission must distribute these funds. Schools cannot afford to "float" these payroll costs for months while waiting for reimbursement, especially since the bill prohibits using per-pupil cash for them.

- Proposed Amendment: Add a "Timely Disbursement" clause.

- *Suggested Text: "The Commission shall disburse funds for these costs to charter schools on a schedule that aligns with the schools' payroll cycles, or no later than 30 days prior to the date payments are due to employees."*

3. Protect Against Executive Restrictions

The bill explicitly subjects these funds to Governor's restrictions. Because these are now separate line items rather than part of the block grant, they are vulnerable to cuts. If restricted, schools would still owe 100% of the bonus to the teacher but receive only a fraction of the funding.

- Proposed Amendment: Classify these funds as non-discretionary.
 - *Suggested Text: "Appropriations for costs under subsection (a)(2)(B) shall be considered non-discretionary labor costs and shall not be subject to executive restriction."*

4. Close the "Fringe Benefit" Gap

Subsection (b) directs Budget & Finance (B&F) to pay fringe costs while the Commission pays the differentials. If B&F does not account for the increased fringe costs caused by these differentials, schools will be forced to pay the employer tax liability out of pocket.

- Proposed Amendment: Clarify that B&F's request must include the fringe associated with these specific differentials.
 - *Suggested Text: "...annual budget request, including all fringe benefit costs associated with the differentials and incentives paid under subsection (a)(2)(B)."*

5. Clarify "Department Approval"

The bill limits funding to differentials "approved by the department." This ties charter funding solely to DOE decisions, ignoring Commission-approved differentials that may be unique to charter models (e.g., Montessori or project-based incentives).

- Proposed Amendment:
 - *Suggested Text: Change "approved by the department" to "approved by the department or recognized by the Commission as comparable to department standards."*

With these amendments, HB 2381 will achieve its goal of fair funding without unintentionally destabilizing charter school budgets.

Mahalo for the opportunity to testify.

HB-2381

Submitted on: 2/17/2026 5:29:52 PM

Testimony for EDN on 2/19/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Johnnie-Mae L. Perry	Individual	Support	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry, Support

2381 HB RELATING TO PUBLIC CHARTER SCHOOLS.

HB-2381

Submitted on: 2/17/2026 7:50:27 PM

Testimony for EDN on 2/19/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Rain K. Kahula Yong	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Kumu Kahula Yong, and I am writing in strong support of this bill, which ensures that incentives for public charter school teachers, including the Teacher National Board Certification Incentive Program and other teacher differentials, are paid from funds appropriated directly to the State Public Charter School Commission, rather than from per-pupil allocations.

Using per-pupil funds for these teacher incentives reduces resources available for students' classrooms and instructional needs. This measure protects student funding while ensuring that charter school teachers receive the compensation they have earned for advanced skills, certifications, and specialized responsibilities.

Supporting this bill is a way to recognize and retain highly qualified teachers in our charter schools without compromising the quality of education for students.

I respectfully urge the Committee to pass this bill.

Me ka mahalo nui,
Kahula Yong
Kumu Kaiapuni, papa 2 @ Ka Waihona o ka Na'auao PCS

HB-2381

Submitted on: 2/18/2026 1:08:08 AM

Testimony for EDN on 2/19/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
M. Leilani DeMello	Individual	Support	Written Testimony Only

Comments:

Aloha,

I KĀKO‘O PIHA this bill. Our teachers deserve to be paid more than what they are getting now.

Mahalo,

M. Leilani DeMello

‘Ōla‘a, Puna, Hawai‘i.

HB-2381

Submitted on: 2/18/2026 8:37:45 AM

Testimony for EDN on 2/19/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Donna P. Van Osdol	Individual	Support	Written Testimony Only

Comments:

I am in favor of this bill.

HB-2381

Submitted on: 2/18/2026 11:41:04 AM

Testimony for EDN on 2/19/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Terri Yoshinaga	Individual	Support	Written Testimony Only

Comments:

I support this bill.