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

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FOR: HB 1745 HD2 SD1 Relating to Education
DATE: Friday, March 28, 2014
TIME: 9:35 a.m.
COMMITTEE(S): Senate Committee on Ways and Means
ROOM: Conference Room 211
FROM: Tom Hutton, Executive Director
State Public Charter School Commission

Testimony in support

Chair Ige, Vice Chair Kidani, and members of the Committee:

The State Public Charter School Commission supports this bill, which incorporates the Commission’s request to the Legislature for various revisions to Hawaii’s charter school statute, Hawaii Revised Statutes (“HRS”) Chapter 302D.

Among other changes, this bill would:

- Clarify that the Commission’s budget shall be appropriated separately from, and in addition to, appropriations made to charter schools—this was the expectation when the new charter school law, Act 130 of 2012, was enacted and replaced the previous formula under which the Charter School Administrative Office (“CSAO”) had been funded with two percent of the per-pupil funds appropriated for schools;
- Expressly allow the Commission to reconstitute a charter school’s governing board under certain exigent circumstances, including unlawful or unethical conduct by governing board members or school personnel or other circumstances that raise serious

doubts about the current board's ability to fulfill its statutory, contractual, or fiduciary duties;

- Authorize the Commission to assess fees of non-state entities as may help cover certain operating costs;
- Strengthen certain provisions relating to potential conflicts of interest on charter school governing boards, including by providing for "cooling off" periods and addressing vendors and contractors that provide goods or services to the school;
- Clarify the legal status of an approved charter applicant before the school opens to students;
- Resolve a legal question that has been raised as to the Commission's intended allocation to charter schools of some federal Impact Aid funds for their facilities needs, by clarifying that a 1935 state statute that could be interpreted as restricting hitherto allowable uses of federal funds by authorizers and charter schools never was intended to do so, as a hallmark of the charter sector greater flexibility in spending but higher-stakes accountability for the results of spending decisions;
- Clarify that for purposes of certain statutorily allowed delegations of state authority intended to reduce administrative burdens, the executive director of the Commission shall be deemed the department head for the Commission and the charter schools unless otherwise specifically provided, to resolve the current lack of such a designation in the charter sector that has left the Commission and charter schools unable to make use of these delegations of authority; and
- Clarify that the current express statutory authorization to submit budget requests for charter school facilities was never intended to restrict the Commission's ability to support the schools' facilities needs in other ways.

We would like to point out that the bill currently contains a typographical error. We respectfully request that Section 15 of the bill be corrected to that the new proposed HRS 302-25(f) refer not to HRS 302A-1402 but to 302A-1401, as intended.

Thank you for the opportunity to provide this testimony.