

DAVID Y. IGE  
GOVERNOR



JOHN S.S. KIM  
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: SB 813 HD1 Relating to Charter Schools  
DATE: April 7, 2021  
TIME: 1:30 P.M.  
COMMITTEE: Committee on Finance  
ROOM: Conference Room 308  
FROM: Yvonne Lau, Interim Executive Director  
State Public Charter School Commission

---

Chair Luke, Vice Chair Cullen, and members of the Committee:

The State Public Charter School Commission (“Commission”) appreciates the opportunity to submit this testimony in **STRONG SUPPORT of SB 813 HD1** which amends HRS §302D-32 to allow charter school authorizers to provide a list of approved independent auditors instead of selecting three independent auditors.

This amendment has been requested based on concerns and feedback from charter schools, particularly neighbor island charter schools, on the availability of the required audit services on their islands. The requested amendment would allow the Commission to approve more than three independent auditors to conduct audits for the 37 public charter schools that operate on five islands across the state.

In order to meet the current requirements of HRS §302D-32, the Commission has already conducted a Request for Qualifications (RFQ) process and identified three approved independent auditors. However, the three selected auditors have indicated concerns in meeting the strict deadline for completion of the annual audits for all 37 public charter schools. Should this measure be passed, the Commission would reopen the RFQ process to review and approve additional auditors, including any interested neighbor island auditors.

Thank you for the opportunity to provide this testimony.

**SB-813-HD-1**

Submitted on: 4/6/2021 9:28:08 AM

Testimony for FIN on 4/7/2021 1:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Steve Hirakami	Hawaii Academy of Arts & Science PCS	Oppose	No

Comments:

Please strike this section from the law. A list of auditors is problematic because it does not indicate how many and if they have offices on neighbor islands. The commission is not the Board of Accountancy and should not qualify auditors. After this law is passed, the Commission staff will put out RFQ (Requests for Qualifications). The list they send to the charters may not come in timely manner for the school to engage an auditor. The governing board by statute 302D:

(1) Is responsible for the financial, organizational, and academic viability of the charter school and implementation of the charter;

(2) Possesses the independent authority to determine the organization and management of the school, the curriculum, and virtual education

This clearly gives the governing board the authority to select its own independent auditor. On the other hand, who in the Commission is able to qualify auditors? It is out of their area of expertise.