

significant financial and other challenges. Within this context, OHA provides the following comments on the Board Report:

Facilities Funding. OHA strongly agrees with the Board Report's identification of the lack of charter school facilities funding as a major and perennial problem. Although Act 234, Sess. Laws 2015 (codified in HRS §302D-29.5) took a step toward addressing this problem by requiring the Legislature to consider making an appropriation and bond authorization to the State Public Charter School Commission (Commission), tasking the Commission with developing criteria for fund distribution, and creating a Facilities Funding Working Group to develop a priority list of schools to receive funding, none of these events has transpired. The ongoing lack of facilities funding is the greatest disparity between funding for public charter schools and DOE schools, and must be addressed. As noted by the Commission in past testimonies to the Legislature, lease or rental payments constitute a substantial portion of facilities expenses incurred by public start-up charter schools, who collectively spent over \$5.3 million on rent or lease payments for school facilities in school year 2015-2016; in 2016-2017, public charter schools spent an approximate total of \$10.4 million on rent and lease payments, repair and maintenance, and utilities payments. Unfortunately, without the facilities funding allocations envisioned by Act 234, public charter schools have been forced to use their per-pupil allocation to meet their facilities costs. Accordingly, OHA supports the Board Report's recommendations that the Legislature provide some form of facilities funding to address this unmet need, that the Commission complete and adopt the facilities funding criteria called for under Act 234, and that the Facilities Funding Working Group reconvene to create a priority list for the allocation of facilities funds.

Implementation of multiple charter school authorizer system. OHA further appreciates and supports the progress made towards the creation of a process for establishing additional charter school authorizers for our public charter schools. Throughout the years, Hawai'i's charter school laws have undergone several major revisions, most recently in 2012 through Act 130 (codified in HRS Chapter 302D). Act 130 created the Hawai'i State Public Charter School Commission as an initial charter school authorizer, and envisioned the establishment of additional charter school authorizers pursuant to administrative rules promulgated by the Board; such rules have since been promulgated and made effective as of February 2017. OHA notes that the Board Report states that the Board has not made much progress on the development of key documents required under the rules, due to other Board priorities taking precedent. However, OHA is encouraged by Student Achievement Committee ("SAC") Chair Margaret Cox's December 6, 2018, *Update on the status of multiple charter school authorizer system*, which recognizes the Board's legal obligation to establish a system for the creation of multiple charter school authorizers; contains a new timeline targeting Mid-December 2018 to late January 2019 for the development of initial drafts of three key documents; and targets school year 2020-2021 as the first school year for the establishment of new authorizers. OHA extends its deep appreciation to SAC Chair Margaret Cox, for her work and her commitment to "work with the Board Chairperson to

endeavor to allocate enough of the Board's staff time to meet the new timeline," and further expresses its appreciation to the Board and its staff for advancing the creation of additional charter school authorizers in Hawai'i. OHA notes that five entities have already expressed interest in becoming new charter school authorizers - Ka Haka 'Ula O Ke'elikōlani, University of Hawai'i - Hilo; University of Hawai'i - West O'ahu; 'Aha Pūnana Leo, Inc.; Kanu o ka 'Āina Learning 'Ohana; and Lei Ho'olaha Community Development Financial Institution.

Mahalo nui for the opportunity to provide testimony on Agenda Item VII.B. Should you have any questions, please feel free to contact OHA Public Policy Advocate Monica Morris at (808) 594-0285.

'A'oha lua e like ai me ka ho'ona'auao 'ana o ke kamali'i. Nothing can compare in worth to the education of our children.