



COMMISSION TESTIMONY

June 12, 2014 Continuation Meeting Scheduled for June 18, 2014
Agenda Item VII Action on Facilities Pilot Program and federal Impact Aid Funds

Date: June 16, 2014

To: Catherine Payne, Chairperson - Charter School Commission
Peter Tomozawa – Vice Chairperson Commission
Members of the Commission

Cc: Ka'iulani Pahio, Nā Lei Na'auao
Lynn Finnegan, HCSN
Tom Hutton, Executive Director

I humbly and persistently request:

- **Commission release ALL the Impact Aid Funding it is currently holding for SY13-14 on a per-pupil basis to the schools**
- Commission formally request **BOE intervention regarding the other \$126,351,229 Impact Aid Retroactive Reconciliation Funds** currently sitting with the DOE to request a proportionate share (see attached)

Steadfast Position:

1. Federal impact aid should be distributed to all schools on a per student unrestricted basis. Restricting the allowable spending uses because of the “legal question” that has arisen is specious. The “legal question” is about the Commission right to use the impact aid funds as a funding source for other projects such as the Pilot Facilities program or the proposed arbitration reserve fund NOT what schools have been spending their impact aid moneys on. Historically these funds have been to support all school expenses including occupancy, food and auxiliary services. In today's very restricted revenue environment it would make sense to allow the schools as much money as possible rather than thinking up restrictive ways for schools to have to live in more reduced circumstances.

Governing Boards (GB) may purchase “Directors and Officers Insurance” with an “employment rider” that will cover the majority of labor arbitration costs thus utilizing Impact Aid funds as a reserve for future arbitration is not necessary.

The restricted uses in the “Targeted Allocation of Impact Aid Funds” memo from Commission Staff to schools March 31, 2014 (attached) severely impacted operations of schools, as an example, Kanu o ka 'Āina NCPCS (Kanu) was unable to utilize the funding for utility bills or to subsidize food service cost for low income students through the Kanu subsidized food service program established after Kanu was abruptly cut off from DOE food service program.



2. The State of Hawaii DOE received a retroactive allocation of Impact Aid Funds as the federal government reconciled its distribution. There is currently an additional \$126,351,229 of Impact Aid Funding that charter schools have not received any portion of (see attached). Distribution methodologies for past years were done on a per-pupil basis with the charter schools receiving a proportionate percentage share. Consistent distribution methodologies should be implemented as these funds are past due reconciliations (5% charter school population x 126M/10,000 students = \$630 per child). **I formally request that the Commission seek proportionate share distribution of this funding for the DOE via the BOE immediately.**

Inconsistent educational federal funding distribution has been evidenced for years.

Numerous Task Force efforts and reports validating the disparities include:

- 2002 Legislative Reference Bureau Study “On The Level? Policy, Law and the Charter School Movement”
- 2003 New Century Charter Schools Allocation Project FY02-03
- 2005 Task force on Charter School Governance
- 2010 Takamine working group Equity Study
- 2011 Charter School Funding Task Force
- 2012 Task Force on Charter Governance Accountability and Authority

NEIL ABERCROMBIE
GOVERNOR



CATHERINE PAYNE
CHAIRPERSON

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

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DATE: March 31, 2014
TO: School Directors, Business Managers
FROM: Leila Shar, Financial Performance Manager
SUBJECT: Targeted Allocation of Impact Aid Funds

At its general business meeting on February 13, 2014, the Commission approved the targeted distribution to the 24 brick-and-mortar start-up schools of \$564,541 in additional funds for operational purposes. These funds are a portion of the federal Impact Aid funds that the Commission previously had earmarked for its facilities pilot program.

As you may be aware, a legal question has arisen as to allowable uses of federal education funds. While that question is being resolved, the Commission is requiring these funds to be used for one or more of the following purposes:

1. To expand the educational offerings in the school;
2. To pay teacher salaries;
3. To employ additional teachers to relieve overcrowded classes;
4. To adjust the salaries of teachers to meet the increased cost of living; or
5. To purchase of supplies, apparatus, and materials for the public schools.

Fortunately, these categories are broad, particularly since the school may use the funds for teacher salaries. As with other federal funds, however, please provide a very brief explanation of how the funds will be used by your school for these purposes, using the attached proposal form. Once your proposal is received, reviewed, and approved, the funds will be disbursed to your school. Please retain documentation of your use of the funds in accordance with your proposal form in case verification should be necessary.

If you have any questions, please contact Financial Performance Specialist Jeff Poentis at 586-3780 or by email at jeff.poentis@spcsc.hawaii.gov. Mahalo!

2012-13 Federal grant reports in the Longitudinal Data System

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<u>Tab</u>	<u>LDS #</u>	<u>CFDA #</u>	<u>Type</u>	<u>Title</u>	<u>FY13 Allocation only</u>	<u>Total Allocation incl. C-F</u>	<u>6/30 Total Remaining Balance</u>	<u>Total FY13 Expenditures (G minus H)</u>
A	010000	84.041	Form.	Federal Impact Aid, P.L. 874	72,159,378	126,351,229	86,355,969	39,995,260
B	010003	84.041	Form.	Impact Aid, FY06	8,300,239	21,810,083	6,385,468	15,424,615
C	020000	84.010A	Form.	NCLB - Title I Grants To LEAs Basic-Con	35,208,848	47,157,002	13,047,901	34,109,101
D	020010			NCLB - Title I Grants To LEA Admin	110,000	110,000	-310,240	420,240
E	020200	84.377A	Form.	NCLB - Title I School Improvement	9,998,526	13,580,292	1,850,652	11,729,640
F	040000	84.013A	Form.	NCLB - Neglected & Delinquent Title I	356,271	448,990	106,279	342,711
G	090000	84.027A	Form.	State Grants - SPED Grants to State IDEA	38,855,629	58,164,755	21,266,700	36,898,055
H	090100			ED of the Handi Child, Title VI-B	996,212	995,282	137,626	857,656
I	110100	84.048	Form.	Voc Ed - Basic Grant to States	2,569,671	3,260,282	513,839	2,746,443
J	130000	84.002A	Form.	Adult Education - State Administered	2,123,712	3,107,286	1,525,784	1,581,502
K	140000	10.555	Form.	SFS - National School Lunch Program	48,734,044	52,173,172	535,673	51,637,499
L	160000	10.560	Form.	HCNP - State Admin Expense	1,670,136	1,945,163	579,536	1,365,627
M	160001			HCNP - CACFP Audit	87,768	87,768	16,113	71,655
N	160002	10.559		Child Nutrition - SAE Summer Program	35,916	47,308	29,666	17,642
O	160003			HCNP - Summer Inspection	2,000	2,000	2,000	0
P	160004			HCNP - Admin Review and Training FY12	0	1,499,385	765,969	733,416
Q	160005			HCNP - Meal Pattern Tech Assist FY13	122,300	289,800	101,613	188,187
R	160006	10.582		HCNP - Fresh Fruit & Veg. Admin	85,611	85,611	36,002	49,609
S	290000	84.173A	Form.	Part B - Preschool Grants IDEA	973,364	1,368,695	505,861	862,834
T	450000	84.196A	Form.	ED for Homeless Children and Youth	204,242	219,745	559	219,186
U	490001			Native Hawaiian Special Ed Project - UH	1,413,526	2,202,106	517,085	1,685,021
V	511000	84.214A	Discr.	Migrant Ed Project Ohana MEES	0	354,422	1,703	352,719
W	520000	84.372A	Discr.	Statewide Longitudinal Data Systems	869,840	1,815,557	-6,505	1,822,062
X	550190	84.215.L	Discr.	Pinnacle of Success Grant FY09	0	2,029,525	230,447	1,799,078
Y	550200	84.011A	Form.	NCLB - Migrant Education Title I	823,793	1,043,952	199,636	844,316
Z	550300	84.144F	Form.	NCLB - Migrant Ed Program Consortium	120,000	117,064	15,466	101,598
A1	650009	12.558	Form.	Dept of Defense Financial Assist LEAs	3,527,593	6,850,504	3,151,877	3,698,627
B1	650017	84.330B	Discr.	Test Fee Program - APF	68,562	69,202	34	69,168

C1	650023	66.040	Form.	EPA States Clean Diesel Prog - DOH FY11	0	40,129	40,129	0
D1	650031			Gear Up Program	222,200	338,716	160,558	178,158
E1	650042	84.287C	Form.	NCLB - After School Learning Center	5,556,811	10,473,998	4,614,590	5,859,408
EE1	650045	84.367A	Form.	NCLB - Title II Improving Tchr Quality	11,191,809	22,426,224	6,481,176	15,945,048
F1	650047	84.369A	Form.	NCLB - State Assess & Related Activities	3,874,218	4,008,911	78,273	3,930,638
G1	650048	84.365A	Form.	NCLB - English Language Acquisition	3,491,901	7,577,930	4,859,901	2,718,029
H1	650049			Gear Up - Holomua - Leeward Coast	157,763	157,763	58,516	99,247
I1	650055	84.366B	Form.	NCLB - Mathematics & Science Partnership	744,840	1,307,034	397,948	909,086
J1	650056			Laulima Na Keiki Grant	0	1,815,911	701,178	1,114,733
K1	650061	84.377		NCLB - Supplemental Sch Improve Grants	3,366,532	4,139,011	3,226,788	912,223
L1	650100			Education Jobs Fund	0	29,159	0	29,159
M1	650101			DOI - Compact Impact Funds	1,868,000	1,868,000	0	1,868,000
N1	650106	12.556	Contr.	DOD - EA - Math Learners	2,400,000	2,400,000	1,674,262	725,738
O1	650107	12.556	Contr.	DOD - EA - Expanding Virtual Learning Opp	0	1,340,097	849,457	490,640
P1	650108			DOD - EA - Thinking Through Science	0	913,601	349,911	563,690
Q1	650109			DOD - EA - Bridging Math Continuum	0	22,657	0	22,657
R1	650111	84.318X	Form.	NCLB - Educational Tech State Grant	0	100,241	-24,194	124,435
S1	650112			NCLB Administration	555,597	1,165,692	1,553,521	-387,829
T1	650117	84.330C	Discr.	Advanced Placement Incentive Program	424,535	691,192	256,654	434,538
U1	650140			NAEP State Coordinator (P Apprn)	196,104	361,211	175,013	186,198
V1	650300			Learn and Serve - America	0	40,268	-399	40,667
W1	650301			CNCS - Stewards of the Islands	0	530,801	-18	530,819
X1	650701			Teen Parent Child Care Center - DHS	305,362	305,362	79,261	226,101
Y1	650714	84.362A	Discr.	Ed of Native Hawn - CA N-W Tech Schools	439,723	763,836	495,623	268,213
Z1	650715			Middle School Uplink - DHS FY13	2,400,000	3,173,213	591,944	2,581,269
A2	650730			National Center for Chronic Disease Prev	289,922	289,922	176,678	113,244
B2	650750			Improving Sch Comm Climate Proj - AG MOA	0	38,922	37,501	1,421
C2	650770			Native Hawaiian Piha Pono - UH FY13	1,211,306	1,211,306	1,141,055	70,251
D2	650918	84.388A	Form.	ARRA School Improvement Grant	0	4,722,875	2,284,051	2,438,824
E2	650919	84.395A	Discr.	ARRA SFSF Race To The Top	12,759,653	42,031,371	16,030,910	26,000,461
F2	670056	12.556	Contr.	DOD - EA - Implement Blended Learning FY12	0	271,364	136,408	134,956
G2	670057	12.556	Contr.	DOD - EA - AVID Radford Complex FY12	0	1,299,131	1,108,765	190,366
H2	710000			Indirect Cost Programs		0	-74,366	
I2	710001			Indirect Cost Clearing Account		0	-1,004,505	

J2	711000	DOE Indirect Cost Recovery Account			0	-1,004,505	
			Total	280,873,457	463,042,028	185,098,173	277,943,855