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## Charters may get facilities funding

### Bill would give schools money in addition to current operating funds

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Public charter schools could begin receiving about \$1,100 per student for facilities funding, something that the independent schools have generally gone without since their initial inception in 1994.

A bill currently making its way through the state Senate would assign public charter schools a per-pupil dollar amount specifically for facilities. The amount would be tied to the debt the state Department of Education incurs on its long-term construction budget.

The money would be in addition to the per-pupil dollar amount that charters already receive for their operation.

At the inception of charter schools 15 years ago, proponents were not seeking money for facilities, said Sen. Norman Sakamoto, chairman of the Senate Education Committee.

But there's a renewed sense that charters are in need of facilities funding, especially with most spending several thousands of dollars a month on rent, utilities and building maintenance out of their fixed operating budgets.

"Initially, the charter school proponents said just give us the ability and the resources," he said. "Now charter schools feel like they need every dollar and every dime they can get," he said.

While charter school officials say they support any effort to get them money for facilities, they argue that the bill would essentially be unnecessary if the state would implement the current funding formula as it is written.

"It's really not much of a change. The existing statute does not specifically include money for facilities, but what it does is take the total DOE budget, subtracts a couple of things and divides it by the number of students. That produces a number that supposedly goes to the charter schools," said Tom Macdonald, the finance committee chairman of the Charter School Review Panel, the governing body of the system of 31 charter schools.

"The fact is, that formula has never been accurately applied. Charter schools have been arbitrarily cut for years," he said.

The funding formula in Senate Bill 496 takes the DOE's debt service — the debt incurred from construction projects for public schools — and divides it by the total public school enrollment. The DOE will have a debt service of roughly \$194 million and an enrollment of about 180,000 next year, said Adele Chong, DOE Budget Director.

That works out to roughly \$1,100 per student.

## money welcomed

Principals and administrators welcome any influx in money for facilities, saying that charter schools must find and pay for their facilities out of their annual per-pupil allotment. Many schools spend several thousand dollars a month on rent and utilities, according to charter school officials. That's an expense that traditional schools don't have to worry about, they say.

Charter principals say paying for facility costs has been especially difficult over the past year after a drop in per-pupil allotments.

Administrators say they have been cutting corners to cope with about \$700 less per student in funding than they received last year. Charter schools currently receive about \$7,500 per pupil.

The charter school system received in total about \$57 million for the current school year from the Legislature, which was up from roughly \$51 million last year. But the increase didn't keep up with the robust growth in enrollment that school officials had anticipated.

Macdonald said charter schools are bracing for even lower per-pupil funding next year. That's because the governor has requested the charter school budget remain at \$57 million, even as enrollment in charter schools is expected to rise from about 7,600 this year to about 8,500 next year.

Steven Hirakami, the principal of Hawai'i Academy of Arts and Science on the Big Island, said his school must budget its current per-pupil budget very carefully by planning out its costs for materials, teacher salaries, administrative costs and facilities.

Hawai'i Academy of Arts and Science spends about \$14,000 a month on rent out of its annual per-pupil budget of just more than \$2 million a year.

"If you're a regular DOE school, you don't have to worry about where your facility money is coming from. At a charter school you have a delicate financing battle to contend with," Hirakami said.

Like most charter school officials, Hirakami argues that charters have consistently been shortchanged by the state. For instance, this year the state gave \$7,560 per student to charter schools while the charter school funding formula actually works out to \$8,465, he said.

"We were given an amount with no explanation," he said.

## formula dispute

Charter school officials contend that the amount for facilities that would be included in Senate Bill 496 is money that is already supposed to be coming to the schools according to the current funding formula. But instead the state has not been following the formula.

"The state Constitution says that all public schools are to be provided facilities by the state. We're public schools. We haven't received anything," said John Thatcher, principal of Connections Public Charter School on the Big Island.

Thatcher said most charter schools spend about 80 percent on personnel costs and about 12 percent on facilities. His school spends nearly \$30,000 a month on facilities and other building costs.

"That doesn't leave much left over for materials or supplies," Thatcher said.

Rep. Roy Takumi, chairman of the House Education Committee, said he's preparing to pitch a different approach to funding charter schools. He's proposing eliminating funding formulas entirely and instead have the Charter School Administrative Office submit a budget like all other state agencies.

"Historically, the approach has been to have a formula to figure out what charter schools deserve. ... Therein lies the thorny dilemma. What should they get? (State Auditor) Marion Higa at one point was asked to come up with a formula that was fair and she gave up. It's not easy," Takumi said.

Takumi says he's still working on language for a bill that would repeal funding formulas for charter schools.

"Charter schools would develop their budget no different from any other state agency or program," he said.

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