

For the record, my name is Joey Eski. I am the chair of Aquarian Charter School's Academic Policy Committee, in Anchorage.

I would like to thank the committee for the opportunity to testify today in regards to charter school funding.

There has been quite a bit of discussion around charter schools since the Governor's state of the state address and the introduction of SB139. It appears the general consensus among lawmakers is that Alaska's charter schools are a proven and successful public school choice and that lawmakers understand that charter schools throughout the state run on very tight budgets as a result of inconsistent interpretation of the law resulting in charter schools being funded differently from district to district.

Alaska's charter schools started as an experimental model – in the almost twenty years the program has been available, charter schools have blossomed, opening up choice in public education to countless Alaskan children all around the state. Alaska's charter school laws were suitable when the program was small and experimental; however, it appears the success of the state's charter school program has made the existing laws antiquated. There are two primary areas where charter school laws would benefit from being updated, one area is charter school program funding (or revenue sources) and the second area is funding of charter school facilities.

Presently, state charter school laws only mandate that districts pass thru funding sources from within the BSA formula. While the intent of SB139 clearly is to create equal access to funding for charter schools, SB139 only addresses clarification of funds from within the BSA calculation leaving the statutory language silent in regards to other funding sources. As it stands now, SB139 will have essentially no financial impact on charter schools in Anchorage as it remains up to the discretion of the district in which a charter school operates whether to pass other funding sources, local, state and federal (or any funds that lie outside of the BSA Formula) onto charter schools.

In Anchorage this means that almost 50% of state funds received by the district are not required to be passed thru to charter schools. As well as any additional local tax dollars (over the required contribution) and any federal monies. As you all know, over the past few years the state has been funding schools outside of the BSA formula. With the charter school law silent with respect to this area there is no mandate to the districts on whether they must pass thru state allocations, such as the state energy cost offsets. The result has been inconsistency in when, if or how much the districts pass thru to charter schools. In Anchorage, charter schools have received the monies some years and not others.

Accordingly, the first way in which the state's charter school laws and SB139 and can be strengthened is by adding statutory language that mandates funds outside the BSA calculation, (local, state and federal) intended to benefit a student shall also be passed to charter schools enrolling such students.

The second area where current charter school law could be improved is with respect to facilities. Inequity in facility funding is the single most significant challenge hindering charter school growth and sustainability. It also happens to be the largest barrier to new charter school start-up.

Current statute defines how a charter school's "program budget is to be determined and dictates, "The program budget of a charter school is to be used for operating expenses of the educational program of the charter school, including purchasing text books, classroom materials and instructional aids." What appears to be missing in charter school statute is any language addressing where a charter school's budget for facility or capital expenditures is supposed to come from and how it is to be used. Hence, most charter schools in Alaska operate from a single operating program budget (composed entirely of BSA funds) to cover all of the typical school expenses, such as, principal and teacher's salaries and benefits and supplies but unlike other types of schools, most charter schools must use this same budget to also cover all of the expenses of a facility. This is a challenge no other type of public school must endure since school districts have multiple funds (or budgets) coming from multiple sources.

Alaska's charter school laws worked when the demand for public school choice in charter schools was small but as the demand for charter school programs has grown so have the facility needs of these schools. Currently in Anchorage, charter schools use on average 25% of their operating budget to cover facility related costs. Leaving less than 75% of BSA funds for instruction of students.

To remedy this situation we request this committee consider establishing a state funded annual per-pupil facility allowance. This is a common mechanism used by other states to support charter school facility related expenses.

Despite the lack-luster national charter school ranking of Alaska's charter school laws and the antiquated nature of some of the laws components, our state charter school system overall is really quite ingenious. It allows for innovation in education and public school choice for Alaska's families but not at the expense of accountability. Working with our local districts gives charter schools credibility and ensures high educational standards. Rather than revamping our entire charter school law, we would like to see positive changes that encourage local districts to grow charter schools.

Charter schools have been asking for funding equity for many years to no avail. SB139, as it stands, is not perfect. But the intent is there. We look forward to working with this committee and our Governor to strengthen the provisions in SB139 for the state's charter schools. Above all, we need a state funded annual per pupil facilities allowance that will help us to pay our bills, and allow charter schools to grow for the future – to meet the demand of our state's students.

We are grateful for this opportunity. And I thank you for your time.

I will submit my testimony in writing along with supporting documents and more detailed recommendations.

And will stay on the line to be available for questions.