H.B. NO. 2644

## A BILL FOR AN ACT

RELATING TO EDUCATION.

#### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. There is appropriated out of the general
 revenues of the State of Hawaii the sum of \$20,000,000 or so
 much thereof as may be necessary for fiscal year 2008-2009 for
 the purpose of providing additional transitional funding for the
 weighted student formula in order to mitigate decreases in
 school budgets.

7 The sum appropriated shall be expended by the department of8 education for the purposes of this Act.

9 SECTION 2. Moneys appropriated by section 1 of this Act 10 shall only be released when the department of education provides 11 a dollar for dollar match from its own budget and allocates at 12 least half of the matching dollars to assist small schools in 13 maintaining fiscal sustainability.

14 SECTION 3. Section 302A-1301, Hawaii Revised Statutes, is 15 amended to read as follows:

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"B. Budget

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H.B. NO. 2044

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1 §302A-1301 School system financial accountability. (a) 2 Beginning with the 1995-1997 fiscal biennium, the department's 3 administrative expenditures shall not exceed 6.5 per cent of the 4 total department operating budget unless approved by the 5 legislature. 6 (b) Not less than seventy per cent of appropriations for 7 the total budget of the department, excluding debt service and 8 capital improvement programs, shall be expended by principals 9 through the weighted student formula. Beginning with the budget 10 for fiscal year 2009-2010, the department of education shall 11 shift an additional ten per cent of its appropriations for the 12 total budget of the department, excluding debt service and

14 in each of the next four fiscal years. Failure to meet this
15 mandate shall result in all operational funding under program
16 budget items EDN 100 and EDN 150 being shifted into the weighted
17 student formula effective the fiscal year following the failure
18 of the department of education meeting the mandate of this

capital improvement programs, into the weighted student formula

19 section."

### 20 SECTION 4. This Act shall take effect on July 1, 2008.

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INTRODUCED BY:

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Report Title: Education

#### Description:

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Conditions appropriation to assist with transitional funding for weighted student formula on matching funds from department budget to assist small schools in maintaining financial sustainability. Imposes additional financial accountability measures upon the department.