

JAN 20 2017

A BILL FOR AN ACT

RELATING TO THE PER-PUPIL FUNDING SYSTEM FOR PUBLIC CHARTER
SCHOOLS.

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

1 SECTION 1. The legislature finds that Hawaii's public
2 charter schools are a part of the state public education system
3 and contribute to that system as a whole, by providing
4 alternative educational options and modeling innovative
5 practices. Each public charter school is a single state entity,
6 and primarily dependent on state funding for operational costs.

7 The legislature further finds that the public charter
8 school system is of particular importance to the Native Hawaiian
9 community and the perpetuation of Hawaii's host culture, as
10 seventeen of the thirty-four public charter schools are
11 Hawaiian-focused or Hawaiian language immersion schools,
12 offering educational curricula grounded in Hawaiian cultural
13 values, concepts, and language.

14 Hawaii's public charter schools receive a majority of their
15 funding through a general fund per-pupil allotment. Section
16 302D-28, Hawaii Revised Statutes, mandates that non-facility



1 general fund per-pupil funding for public charter school
2 students be the same as that for department of education school
3 students. The non-facility general fund per-pupil allotment for
4 public charter schools is accordingly determined based on the
5 total funding allocated to certain programs within the
6 department of education, and the projected and verified student
7 enrollment rates for department of education and public charter
8 schools.

9 The legislature finds that questions have been raised
10 regarding whether the per-pupil funding system provides equal
11 funding for public charter schools as intended under the law,
12 including whether all required department of education cost
13 categories are appropriately and consistently factored into the
14 determination of the per-pupil allotment for public charter
15 schools. A potential disparity in per-pupil funding is of
16 particular concern, given that public charter schools must also
17 meet other expenses, including facility costs, not borne by
18 department of education schools, and given the state public
19 charter school commission's warning in its annual reports that
20 public charter schools may face short-term financial strain as
21 well as long-term operational sustainability challenges.



S.B. NO. 466

1 The purpose of this Act is to require the legislative
2 reference bureau to conduct a study on the per-pupil funding
3 system, to determine whether the system fulfills its statutory
4 purpose of equalizing operational funding among public schools.

5 SECTION 2. (a) The legislative reference bureau shall
6 conduct a study on the non-facility general fund per-pupil
7 funding system for public charter schools, to determine whether
8 the system fulfills its statutory purpose of equalizing
9 operational funding among the State's public schools. The study
10 shall:

- 11 (1) Include all general fund non-facility costs described
12 in section 302D-28(a) and (b), Hawaii Revised
13 Statutes, including but not limited to school-based
14 budgeting, instructional support, school
15 administration, and school support;
- 16 (2) Describe all general fund cost categories not
17 considered in the determination of per-pupil funding
18 for public charter schools; and
- 19 (3) Provide any other fiscal information that would be
20 relevant to the legislative reference bureau's study.



1 (b) The department of education and the state public
 2 charter school commission shall provide specific data to the
 3 legislative reference bureau by June 30, 2017, in a format to be
 4 determined by the bureau, detailing what the present system of
 5 funding consists of within the statutory allocation, to enable
 6 the bureau to focus its study and complete it in a timely
 7 manner.

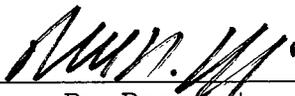
8 (c) The department of education, department of budget and
 9 finance, state public charter school commission, Hawaii Public
 10 Charter School Network, Hawaii Educational Policy Center, and
 11 other stakeholder agencies are requested to provide other
 12 information and assistance as requested by the legislative
 13 reference bureau.

14 (d) The legislative reference bureau shall submit a report
 15 of its findings and recommendations, including any proposed
 16 legislation, to the legislature no later than twenty days prior
 17 to the convening of the regular session of 2019.

18 SECTION 3. This Act shall take effect upon its approval.

19

INTRODUCED BY:



 By Request



S.B. NO. 466

Report Title:

OHA Package; Per-Pupil Funding System; Legislative Reference Bureau; Study

Description:

Requires the Legislative Reference Bureau to conduct a study on the non-facility general fund per-pupil funding system for public charter schools, to determine whether the system fulfills its statutory purpose of equalizing operational funding among the State's public schools.

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