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# A BILL FOR AN ACT

RELATING TO EDUCATION.

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

SECTION 1. Section 302A-706, Hawaii Revised Statutes, is amended by amending its title and subsection (a) to read as follows:

"§302A-706 ~~[Teacher national board]~~ National certification incentive program. (a) There is established within the department the ~~[teacher]~~ national ~~[board]~~ certification incentive program to recognize and support exemplary ~~[teaching]~~ educational practice by supporting public school teachers and school psychologists who have achieved national ~~[board]~~ certification under the certification program of the National Board for Professional Teaching Standards~~[-]~~ or the National Association of School Psychologists. The ~~[teacher]~~ national ~~[board]~~ certification incentive program shall provide:

(1) A \$5,000 bonus per year for each public school teacher or school psychologist who maintains current national ~~[board]~~ certification;



- 1           (2) Up to \$1,500, depending on the certification fee  
2           structure, upon completing all components of the  
3           certification program of the National Board for  
4           Professional Teaching Standards[+] or National  
5           Association of School Psychologists;
- 6           (3) A reimbursement of the remainder of the national  
7           [board] certification application fee upon achievement  
8           of national [board] certification; [and]
- 9           (4) An additional \$5,000 bonus per year for each public  
10          school teacher or school psychologist who maintains  
11          current national [board] certification and who  
12          [teaches] is employed at:
- 13          (A) A school [~~in a focus, priority, or~~  
14          ~~superintendent's zone, or other similar~~  
15          ~~designation, as determined]~~ that has been  
16          identified for comprehensive or targeted support  
17          and improvement by the department; provided that  
18          all teachers receiving the bonus under this  
19          subparagraph during the 2017-2018 school year  
20          shall remain eligible for the bonus subject to  
21          the limitations imposed under paragraph (5);



(B) A school with a high turnover rate, as determined  
by the department; or

(C) A hard-to-fill school, as determined by the  
department[-]; and

(5) An additional \$5,000 bonus per year for any teacher or  
school psychologist employed at a public school who  
received a yearly bonus pursuant to paragraph (4);  
provided that the teacher or school psychologist  
maintains national certification and continues working  
in the same school after the school transitions from  
the qualifying designation pursuant to paragraph (4);  
provided further that the teacher or school  
psychologist shall receive the additional bonus from  
the time the school no longer meets any of the  
criteria under paragraph (4) until the end date of the  
teacher's or school psychologist's national  
certification in effect at the time the school lost  
its designation, or until the teacher or school  
psychologist is no longer employed at the school,  
whichever occurs first."



SECTION 2. Section 302D-28, Hawaii Revised Statutes, is amended to read as follows:

**"§302D-28 Funding and finance.** (a) Beginning with fiscal year 2012-2013, and each fiscal year thereafter, the non-facility general fund per-pupil funding request for charter school students shall be the same as the general fund per-pupil amount to the department in the most recently approved executive budget recommendation for the department and shall be based upon reasonable projected enrollment figures for all charter schools. The general fund per-pupil request for each regular education and special education student shall:

(1) Include all general fund regular education cost categories, including comprehensive school support services, but excluding special education services, adult education, and the after-school plus program; provided that these services are provided and funded by the department; and

(2) Exclude fringe benefit costs and debt service.

(b) Fringe benefit costs for charter school employees, regardless of the payroll system utilized by a charter school, shall be included in the department of budget and finance's



1 annual budget request. No fringe benefit costs shall be charged  
2 directly to or deducted from the charter school per-pupil  
3 allocations.

4 The legislature shall make an appropriation based upon the  
5 budget request; provided that the legislature may make  
6 additional appropriations for facility and other costs.

7 The governor, pursuant to chapter 37, may impose  
8 restrictions or reductions on charter school appropriations  
9 similar to those imposed on department schools.

10 (c) Notwithstanding any law to the contrary, to ensure  
11 non-facility per-pupil general fund amounts allocated for the  
12 department and charter school students are equal on an  
13 annualized fiscal year basis, each year the director of finance  
14 shall:

15 (1) Determine the sum of general fund appropriations made  
16 for department and charter school student non-facility  
17 costs described in subsections (a) and (b);

18 (2) Determine the sum of department and charter school  
19 student enrollment based on reviewed and verified  
20 student enrollment counts as of October 15;



(3) Determine a per-pupil amount by dividing the sum of general fund appropriations determined under paragraph (1) by the sum of student enrollment determined under paragraph (2);

(4) Transfer a general fund amount between the department and charter schools that will provide each with a per-pupil allocation equal to the amount determined on an annualized fiscal year basis under paragraph (3); and

(5) Annually account for all calculations and transfers made pursuant to this subsection in a report to the legislature, governor, department, and charter schools.

This subsection shall not limit the ability of the director of finance to modify or amend any allotment pursuant to chapter 37.

(d) Charter schools shall be eligible for all federal financial support to the same extent as department schools. The department shall provide all authorizers with all state-level federal grant proposals submitted by the department that include charter schools as potential recipients and timely reports on state-level federal grants received for which charter schools may apply or are entitled to receive. Federal funds received by



1 the department for charter schools shall be transferred to  
2 authorizers for distribution to the charter schools they  
3 authorize in accordance with the federal requirements. If  
4 administrative services related to federal grants are provided  
5 to the charter school by the department, the charter school  
6 shall reimburse the department for the actual costs of the  
7 administrative services in an amount that shall not exceed six  
8 per cent of the charter school's federal grants.

9 Any charter school shall be eligible to receive any  
10 supplemental federal grant or award for which any department  
11 school may submit a proposal, or any supplemental federal grants  
12 limited to charter schools; provided that if department  
13 administrative services, including funds management, budgetary,  
14 fiscal accounting, or other related services, are provided with  
15 respect to these supplemental grants, the charter school shall  
16 reimburse the department for the actual costs of the  
17 administrative services in an amount that shall not exceed six  
18 per cent of the supplemental grant for which the services are  
19 used.

20 All additional funds generated by the governing boards,  
21 that are not from a supplemental grant, shall be held separate



1 from allotted funds and may be expended at the discretion of the  
2 governing boards.

3 (e) Authorizers shall calculate a general fund per-pupil  
4 amount based upon the amount of general funds appropriated by  
5 the legislature and released by the governor and the projected  
6 enrollment amount used to calculate the general funds  
7 appropriated pursuant to subsection (a).

8 Authorizers shall submit a report to the legislature no  
9 later than twenty days prior to the convening of each regular  
10 session that contains each charter school's current school year  
11 projection that is used to submit the budget request, the  
12 updated May 15 enrollment projection, the actual October 15  
13 enrollment count, the authorizer's reviewed and verified  
14 enrollment count, and the November 15 enrollment count.

15 (f) To enable charter schools to access state funding  
16 prior to the start of each school year, foster their fiscal  
17 planning, enhance their accountability, and avoid over-  
18 allocating general funds to charter schools based on self-  
19 reported enrollment projections, authorizers shall:

20 (1) Provide sixty per cent of a charter school's per-pupil  
21 allocation based on the charter school's projected





1 student enrollment no later than July 20 of each  
2 fiscal year; provided that the charter school shall  
3 have submitted to its authorizer a projected student  
4 enrollment no later than May 15 of each year;

5 (2) Provide an additional thirty per cent of a charter  
6 school's per-pupil allocation no later than December 1  
7 of each year, based on the October 15 student  
8 enrollment, as reviewed and verified by the  
9 authorizer, only to schools in compliance with all  
10 financial reporting requirements; and

11 (3) Retain no more than the balance of the remaining ten  
12 per cent of a charter school's per-pupil allocation,  
13 as a contingency balance to ensure fiscal  
14 accountability and compliance, no later than June 30  
15 of each year;

16 provided that authorizers may make adjustments in allocations  
17 based on noncompliance with charter contracts and the board may  
18 make adjustments in allocations based on noncompliance with  
19 board policies made in the board's capacity as the state  
20 education agency, department directives made in the department's  
21 capacity as the state education agency, the board's



1 administrative procedures, and board-approved accountability  
2 requirements.

3 (g) The department shall provide appropriate transitional  
4 resources to a conversion charter school for its first year of  
5 operation as a charter school based upon the department's  
6 allocation to the school for the year prior to the conversion.

7 (h) No charter school may assess tuition; provided that a  
8 charter school may assess and collect special fees and charges  
9 from students for co-curricular activities. Any special fees  
10 and charges collected pursuant to this subsection shall be  
11 deposited into insured checking or savings accounts and expended  
12 by each individual charter school.

13 (i) Funds necessary to pay for teacher incentive programs,  
14 bonuses, and other compensation required by law or collective  
15 bargaining beyond regular wages shall not be paid out of a  
16 charter school's facilities funding or per-pupil funds.  
17 Beginning with fiscal year 2018-2019, and each fiscal year  
18 thereafter, the funding request for teacher incentive programs,  
19 bonuses, and other compensation required by law or collective  
20 bargaining beyond regular wages for each charter school shall be



1 a separate line item in the general appropriations act and  
2 supplemental appropriations act."

3 SECTION 3. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$ or so  
5 much thereof as may be necessary for fiscal year 2018-2019 to  
6 pay for the following bonuses for public school teachers, public  
7 charter school teachers, and school psychologists:

8 (1) Collectively bargained placement bonuses in schools  
9 determined as hard-to-fill by the department of  
10 education; and

11 (2) National certification incentive program bonuses as  
12 outlined pursuant to section 302A-706, Hawaii Revised  
13 Statutes.

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

16 SECTION 4. Statutory material to be repealed is bracketed  
17 and stricken. New statutory material is underscored.

18 SECTION 5. This Act shall take effect on July 1, 2018.

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**Report Title:**

National Certification Incentive Program; Teachers; School Psychologists; Appropriation

**Description:**

Amends provisions of the national certification incentive program within the department of education to include school psychologists who have achieved national certification. Amends provisions related to eligible schools where teachers or school psychologists with national certification are eligible for the incentive program. Beginning with fiscal year 2018-2019, and each fiscal year thereafter, requires funding requests by charter schools for teacher incentive programs, bonuses, and other compensation beyond regular wages to be a separate line item in the general appropriations act and supplemental appropriations act. Appropriates funds. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

