

ACT 261

H.B. NO. 2767-82

A Bill for an Act Relating to Education.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Findings and purpose. The legislature finds that it is the policy of the State to support, improve, and enhance Hawaii's system of education, not only as a whole but also at the level of the individual school. The legislature recognizes that schools are different, each with its own special strengths and weaknesses. The legislature further recognizes that in certain matters, the schools are the best arbiters of their individual priorities and needs.

The purpose of this Act, therefore, is to establish a new form of educational resource, to be known as the school priority fund, to provide schools with greater authority, responsibility, and means to plan, budget, administer, and be held accountable for programs which address their unique needs.

SECTION 2. The Hawaii Revised Statutes is amended by adding a new chapter to be appropriately designated and to read as follows:

“CHAPTER SCHOOL PRIORITY FUND

§ -1 **School priority fund; established.** There is established within the department of education a school priority fund which shall be used to augment regular instruction and other educational services at the discretion of the individual public schools. Further, it is the intent of the legislature that the school priority fund be used to promote the equitable distribution of educational resources state-wide, to strengthen the scope of decision making and increase flexibility in resource allocation at the school level, and to provide a systematic method of conforming resource allocation to the unique needs and priorities of individual schools.

§ -2 **Definitions.** As used in this chapter:

- (1) “Enrollment” means the number of students registered in the regular public schools, with each regular student and each special student being counted as one;
- (2) “Moneys” means funds which are not committed to positions; and
- (3) “School priority fund” includes moneys which may be appropriated and allotted separately for elementary schools and for secondary schools, and appropriated instructional resource augmentation positions which shall be allotted for the elementary schools.

§ -3 **Distribution of resources.** (a) The superintendent of education shall allot the moneys of the school priority fund to the school districts based on enrollment. In the allotment of positions to the districts, the superintendent shall calculate each district’s entitlement based on enrollment and shall deploy or redeploy positions beginning September, 1983, such that each district will be provided with its full entitlement of positions by September, 1985.

(b) The district superintendents may withhold up to seven per cent of their district allotment of moneys for a reserve which may be used, first, to ensure that any elementary school may continue its participation in the Hawaii English Program at its fiscal 1981-82 level, and second, for such purposes as unforeseen enrollment increases, compliance with comparability requirements, emergency school need for funds, and special school projects that directly benefit students. After deducting the district reserve, the district superintendents shall allot the balance of the moneys to the schools based on enrollment. In the allotment of positions to the schools, the district superintendents shall strive for equity using enrollment as a guide without unduly fractionating individual positions.

(c) The district superintendents may transfer moneys in an equitable manner among schools in the event of significant shifts in enrollment.

§ -4 **Use of resources by schools.** School principals shall consult with teachers, and to the extent practicable, with parents and students, to solicit their advice on the use of the moneys and positions. Prior to expending moneys and implementing position assignments, principals shall submit plans for the use of the moneys and positions to their district superintendents who shall review the plans for conformance with departmental policies and rules. Upon approval of the plans,

moneys may be expended by the principals for supplies, textbooks, equipment, and services. Positions may be used to meet the unique needs of the schools.

§ -5 **Departmental controls.** The superintendent shall develop and implement appropriate planning procedures and follow-up accountability reports, without regard to chapter 91, to ensure sound planning, control, and accountability in the use of the school priority fund. The procedures and reports, however, shall recognize the need for providing the schools latitude and discretion to determine their needs and priorities, and shall avoid imposing undue amounts of paperwork and administrative burdens on the schools.”

SECTION 3. This Act shall take effect on July 1, 1982.

(Approved June 16, 1982.)