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## A BILL FOR AN ACT

RELATING TO EDUCATION.

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

1           SECTION 1. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$10,000,000 or so  
3 much thereof as may be necessary for fiscal year 2008-2009 for  
4 the purpose of providing additional transitional funding for the  
5 weighted student formula in order to mitigate decreases in  
6 school budgets.

7           The sum appropriated shall be expended by the department of  
8 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 board of education provides a  
11 dollar for dollar match from department of education operating  
12 funds and allocates at least half of the matching dollars to  
13 assist small schools in maintaining fiscal sustainability, and  
14 at least half of these funds shall be provided to reward schools  
15 whose students demonstrate the greatest overall growth in  
16 reading and math from the previous year.

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



1 "B. Budget

2 §302A-1301 School system financial accountability. (a)

3 Beginning with the 1995-1997 fiscal biennium, the department's  
4 administrative expenditures shall not exceed 6.5 per cent of the  
5 total department operating budget unless approved by the  
6 legislature.

7 (b) Not less than seventy per cent of appropriations for  
8 the total budget of the department, excluding debt service and  
9 capital improvement programs, shall be expended by principals  
10 through the weighted student formula. Beginning with the budget  
11 for fiscal year 2009-2010, the board of education shall shift an  
12 additional ten per cent of its appropriations for the total  
13 budget of the department, excluding debt service and capital  
14 improvement programs, into the weighted student formula in each  
15 of the next four fiscal years. Failure of the board of  
16 education to meet this mandate shall result in all operating  
17 funds under program budget items EDN 100 and EDN 150 being  
18 shifted into the weighted student formula effective the fiscal  
19 year following the failure of the board of education meeting the  
20 mandate of this section."

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

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# H.B. NO. 3288

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INTRODUCED BY:

*Atungan*  
*Cesar N. L. Ling*

JAN 23 2008



**Report Title:**

Education

**Description:**

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.

