
A BILL FOR AN ACT

RELATING TO EDUCATION.

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

1 SECTION 1. The legislature finds that the key to Hawaii's
2 future success is a community filled with highly-educated,
3 highly-qualified individuals to support the State's economy.
4 The backbone of this endeavor is a strong public school system
5 that equips our keiki with the knowledge, skills, and
6 experiences necessary to succeed.

7 The legislature further finds that the public education
8 system in the State is in dire need of increased funding not
9 only to improve, expand, or grow new programs and facilities,
10 but merely to address the pending backlog of infrastructure and
11 facilities repair and maintenance projects in elementary,
12 middle, and high schools throughout the State, as well as within
13 the University of Hawaii system. Within the department of
14 education, the backlog for repair and maintenance continues to
15 be a problem. In 2001, the legislature appropriated funds to
16 help mitigate the department of education's estimated
17 \$640,000,000 backlog of repair and maintenance projects. In



1 2007, the estimated backlog of repair and maintenance projects
2 was \$341,000,000, which included recurring major and minor
3 repairs, ongoing cycle maintenance, service and contract
4 maintenance, nonrecurring projects, and emergency repairs.
5 Unfortunately, due in part to the governor's decision not to
6 release \$110,000,000 previously approved by the legislature
7 during past legislative sessions for repair and maintenance
8 projects for the department of education, the backlog remains
9 and continues to increase. The backlog has increased to
10 approximately \$420,000,000 and is expected to increase by an
11 additional \$75,000,000 during the upcoming fiscal year.

12 Similarly, at the University of Hawaii, a backlog of repair
13 and maintenance projects has accumulated, due to the lack of
14 general funds, currently totaling approximately \$257,000,000.
15 Existing repair and maintenance projects include not only well-
16 documented deficiencies such as major renovations necessary to
17 Edmondson hall, athletic facilities including Cooke field, the
18 college of education office, the University laboratory school,
19 and Hamilton library, but also re-roofing, mechanical and
20 electrical systems, resurfacing, repainting, and other
21 improvements and projects to upgrade facilities at all
22 university and community college campuses.



1 Facilities provide the centerpiece around which all other
2 educational activities exist at higher education institutions.
3 Well-maintained physical infrastructure and facilities at our
4 higher education campuses that are functional, architecturally
5 sound, aesthetically pleasing, and in compliance with building
6 and safety codes support quality instruction, research, student,
7 and community services programs. Therefore, it is imperative to
8 reinvest in the university's physical plant to ensure that the
9 physical infrastructure supports the mission of the institution.

10 In recent years, the legislature has passed significant
11 initiatives to strengthen the public school system with
12 resources, procedures, and opportunities to make effective
13 change in the manner by which schools are organized and children
14 learn. The Reinventing Education Act of 2004 directed funds to
15 schools based on the needs of their populations, taking into
16 account economic hardship, English as a second language, special
17 needs, and mobility. Additionally, the legislature has provided
18 a governance structure to charter schools to allow the decision
19 makers to be closer to their constituency and placed an emphasis
20 on learning academies and experiential or applied learning
21 programs.



1 In addition to the foregoing, the early education task
2 force unveiled "Keiki first," a plan to enable eighty per cent
3 of Hawaii's four-year-olds to attend preschool. This plan
4 requires an infusion of new resources to equip our four-year-
5 olds to enter kindergarten ready to learn. When fully
6 implemented, for the eighty per cent goal, \$170,000,000 per year
7 would be needed.

8 Adequate funding for the foregoing changes and initiatives
9 continues to prove to be a difficult issue. Increased mandates
10 resulting from the No Child Left Behind Act and the Felix
11 consent decree, among others, have contributed to the lack of
12 adequate funds to support public schools in the State. Despite
13 these increased mandates, over the past few decades, the
14 percentage of the budget allocated to education has consistently
15 decreased as well.

16 The provision of an adequate education in Hawaii's public
17 schools presents many challenges to the State, including
18 providing adequate funding and developing methods to meet those
19 funding needs. In 2005, the department of education
20 commissioned a study on funding adequacy, the objective of which
21 was to "[d]evelop an adequacy funding model that can be used as
22 a tool for determining the level of funding required to support



1 the vision and goals of the State of Hawaii Department of
2 Education (DOE) and Board of Education (BOE)." *Adequacy*
3 *Funding Study*, Department of Education, March 14, 2005. The
4 study examined the expenditure of funds for the 2003-2004 fiscal
5 year for the average elementary, middle, and high schools.
6 Results indicated that increased funding of seventeen per cent
7 or \$278,000,000 was necessary for schools to achieve adequate
8 standards. A five-year implementation plan was presented to
9 bring public schools up to adequate levels.

10 The study also recommended the establishment of a
11 commission, with sub-committees, to examine the different
12 aspects of the adequacy funding implementation proposed, update
13 the adequacy models, oversee the development of alternative
14 model schools, define performance goals for different funding
15 levels, and communicate with various stakeholders.
16 Unfortunately, no further action has been undertaken by the
17 department of education or the board of education.

18 The purpose of this Act is to convene a task force to
19 examine issues regarding funding adequacy in public schools and
20 to establish necessary funding requirements and an
21 implementation plan for providing public school students with an
22 adequate education in the State.



1 SECTION 2. (a) There is established a task force on
2 education funding adequacy within the department of education
3 for administrative purposes only. The task force shall be
4 comprised of nineteen members to be appointed without regard to
5 section 26-34, Hawaii Revised Statutes, as follows:

- 6 (1) Two members to be appointed by the president of the
7 University of Hawaii;
- 8 (2) Two members to be appointed by the superintendent of
9 education;
- 10 (3) Three members to be appointed by the Hawaii Business
11 Roundtable; provided that the three members shall
12 possess and represent experience in the fields of
13 technology, finance, and personnel management or human
14 resources management;
- 15 (4) Two members to be appointed by the president of the
16 senate;
- 17 (5) Two members to be appointed by the speaker of the
18 house of representatives;
- 19 (6) One member representing the Hawaii P-20 Council;
- 20 (7) One member appointed by the governor;
- 21 (8) One member appointed by the Hawaii Association of
22 Public Accountants;



1 (9) Two members representing the Hawaii Government
2 Employees Association, the Hawaii State Teachers
3 Association, and the University of Hawaii Professional
4 Assembly; and

5 (10) Three members representing school community councils.
6 The task force shall select a chairperson from its membership.

7 (b) The task force on funding adequacy shall convene sub-
8 committees that address specific funding categories, including
9 but not limited to:

- 10 (1) Facilities;
- 11 (2) Repair and maintenance;
- 12 (3) Capital improvement projects;
- 13 (4) English as a second language;
- 14 (5) Technology;
- 15 (6) Learning materials;
- 16 (7) Highly-qualified teachers;
- 17 (8) Early education; and
- 18 (9) The average, regular education student.

19 Each sub-committee shall include and obtain input from
20 stakeholders, qualified individuals with knowledge, expertise,
21 and experience in the relevant fields pertaining to the specific
22 category, and any other individuals as may be determined

1 necessary by the task force. Each sub-committee shall establish
2 goals for the funding category and examine the most efficient
3 and cost-effective methods for providing adequate funding for
4 the respective category and perform any other functions as may
5 be deemed necessary by the task force for the fulfillment of
6 their functions.

7 (c) The task force on education funding adequacy shall:

8 (1) Examine issues of funding adequacy in Hawaii's public
9 schools, including a review of the 2005 adequacy
10 funding study;

11 (2) Analyze all relevant components requiring funding for
12 the public schools;

13 (3) Consider each sub-committee's recommendations and
14 establish a plan for the annual reduction of the
15 funding inadequacy over a multi-year period that
16 includes:

17 (A) Cost estimates for a multi-year implementation
18 period, not to exceed six years, to bring the
19 public schools up to an adequate level; and

20 (B) A cost estimate for perpetual funding once an
21 adequate level is achieved that considers the
22 inclusion of various alternative means and



1 methods or combinations thereof, including but
2 not limited to the use of proceeds from:

- 3 (i) The general excise tax;
- 4 (ii) The state income tax;
- 5 (iii) Real property or facilities lease
6 agreements;
- 7 (iv) The sale of real property,
- 8 (v) Fees or charges; or
- 9 (vi) The reduction of services;

10 provided that any proposals that include tax
11 increases would also include positive tax reform
12 measures, such as additional tax exemptions, tax
13 credits, or increases in the standard income tax
14 deduction amounts, to balance the added burden
15 imposed by the increased tax; and

16 (4) Identify areas of major restructuring and collective
17 bargaining.

18 (d) In carrying out its duties under this section, the
19 task force on education funding adequacy may request staff
20 assistance from the department of education and other
21 appropriate state departments or agencies. The task force on
22 education funding adequacy may contract with or hire a private

1 consultant, who shall be exempt from chapters 76, 78, and 89,
2 Hawaii Revised Statutes, or consulting firm to assist the task
3 force in performing its duties as provided in this Act.

4 (e) The task force on education funding adequacy shall be
5 exempt from chapter 92, Hawaii Revised Statutes; provided that
6 the task force shall make a good faith effort to make its
7 proceedings and work products accessible and available to the
8 general public in a manner consistent with the intent of chapter
9 92, Hawaii Revised Statutes.

10 (f) The task force on education funding adequacy shall be
11 exempt from the requirements of chapter 103D, Hawaii Revised
12 Statutes.

13 (g) Members of the task force on education funding
14 adequacy shall serve without compensation but shall be
15 reimbursed for expenses, including travel expenses, necessary
16 for the performance of their duties.

17 (h) The task force on education funding adequacy shall
18 submit a report of its progress, implementation of proposals,
19 findings, and recommendations, including any proposed
20 legislation, to the legislature no later than twenty days prior
21 to the convening of the regular sessions of 2009 to 2011;
22 provided that:



- 1 (1) The 2009 report shall also include a plan for a multi-
2 year implementation phase for achieving funding
3 adequacy in public schools, as well as proposals for
4 methods and mechanisms for funding during this phase;
- 5 (2) The 2010 report shall also include information on
6 progress on areas of restructuring and collective
7 bargaining, as well as updated information on funding
8 methods and mechanisms proposed and implemented; and
- 9 (3) The 2011 report shall be a final report that includes
10 data and information on funding adequacy for the
11 public schools, accountability standards, the
12 continued need for the task force, if appropriate, the
13 defined tasks yet to be accomplished, and any other
14 relevant information.

15 SECTION 3. There is appropriated out of the general
16 revenues of the State of Hawaii the sum of \$250,000 or so much
17 thereof as may be necessary for fiscal year 2008-2009 for the
18 task force on education funding adequacy.

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

21 SECTION 4. New statutory material is underscored.

22 SECTION 5. This Act shall take effect on July 1, 2008.



Report Title:

Education Funding; Task Force; Tax Credit; Appropriation

Description:

Establishes a task force to study the adequacy of funding for education in the State and to develop estimates and methods for meeting funding needs. Requires reports to the legislature and appropriates funds for the task force. (SD2)

