

Date: 02/06/2008

Committee: House Education

Department: Education

Person Testifying: Patricia Hamamoto, Superintendent of Education

Title of Bill: HB 3288 RELATING TO EDUCATION.

Purpose of Bill: 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.

Department's Position: The Department opposes this bill for the following reasons.

Section 1 – While the Department would appreciate the approximately \$50 per student increase in funding available to assist school communities support student achievement; the Department does not believe the additional funding should be transitional, but ongoing funding for school expenditures.

Section 2 – The Department further opposes the appropriation of these additional funds contingent upon a dollar for dollar match from the operating budget. The Legislature in 2004 determined that the Committee on Weights (COW) through recommendation and Board of Education through the adoption of a Weighted Student Formula (WSF) should determine what funds should be allocated by the WSF.

Additionally, the Department believes the 2004 Legislature appropriately placed the authority to determine how funds are to be allocated via WSF with the COW and Board of Education.

Section 3 - The Department believes the wording in this section would force the Board of Education to shift funds or lose the authority given in the Reinventing Education Act of 2004 to determine which funds should be allocated under a WSF. The Department further believes that placing

all of the EDN100 and EDN150 funds into WSF will place the Department in jeopardy of violating federal special education requirements and make some schools vulnerable to be responsible for costs that will cripple school operations.

The Department provided a report to the 2005 Legislature titled "Increasing School Expenditures by School Principals" which was required in Act 221, SLH 2004. Pages 22 and 23 of the report noted the impact on the state's responsibility for special education services if the services funded by the programs remaining in EDN 150 were to be decentralized. One impact would be shifting the responsibility to schools to pay for the total costs of services for "high-cost, low-incidence" disabilities such as autism spectrum disorder and medically fragile children. Decentralization would also remove the economies of scale and the ability to provide itinerant services to multiple schools for related services, hinder compliance with federal and state special education regulations, and Section 504 disabilities, and hinder recruitment, training and retention of special education teachers.

The Department requests that the Committee hold this bill.

WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON EDUCATION
ON
HOUSE BILL NO. 3288

February 6, 2008

RELATING TO EDUCATION

House Bill No. 3288 appropriates general funds of \$10 million to the Department of Education in FY 09 for transitional funding for the weighted student formula, provided that the Department of Education match the funds and allocate half of the matching funds to small schools and half to schools demonstrating the greatest overall growth in reading and math. This bill further requires the Board of Education to shift an additional 10% of its total appropriations, excluding debt service and capital improvement projects, into the weighted student formula for four fiscal years beginning with FY 10. Failure to shift the 10% would result in all operating funds for EDN 100 and EDN 150 being shifted into the weighted student formula.

We oppose this bill. Act 51, the "Reinventing Education Act of 2004," intended to implement comprehensive education reform, including:

1. Providing for the development of a weighted student formula, to be implemented beginning with the 2006-2007 school year.
2. Giving principals control over 70 percent of appropriations effective July 1, 2006.

To improve our public school system, it is recommended that the Legislature allow Act 51 to be fully implemented, and allow school principals to determine spending priorities.

On a technical note, it should be pointed out that included in the Department of Education's total appropriations are substantial amounts for pension accumulation (\$141 million for FY 09), Social Security and Medicare (\$79 million for FY 09), and health benefits (\$177 million for FY 09). These amounts are appropriated to the Department of Education, but are transferred to the Department of Budget and Finance at the beginning of each fiscal year for payment of employee benefits. These funds should not be included in the 10% shift to the weighted student formula.



1200 Ala Kapuna Street • Honolulu, Hawaii 96819
Tel: (808) 833-2711 • Fax: (808) 839-7106 • Web: www.hsta.org

Roger K. Takabayashi
President

Wil Okabe
Vice President

Karolyn Mossman
Secretary-Treasurer

Mike McCartney
Executive Director

TESTIMONY BEFORE THE HOUSE COMMITTEE ON EDUCATION

RE: HB 3288 – RELATING TO EDUCATION.

February 6, 2008

**ROGER TAKABAYASHI, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION**

Chair Takumi and Members of the Committee:

The Hawaii State Teachers Association opposes HB 3288. The Association has several concerns with various provisions in this bill.

I, Roger Takabayashi, sit on the Committee on Weights (COW) which oversees the Weighted Student Formula (WSF). As a member of the COW, we are making every effort to include as much of the Department of Education's funding as possible. The COW should be allowed to do its work, without the constraints of a mandated amount, which this bill would impose. In addition, this measure requires that the funding amount diminish each year by a given percent. The determination of future funding amounts should be addressed after further deliberation.

Using funds intended to make up WSF shortfalls for other purposes troubles us. The use of the funds allocated to each school should be determined by the school's principal. Using the WSF funds to reward progress in selected areas will cause problems. Specifically, the concept of rewarding schools for growth in reading and math raises concerns, because such a provision will provide an incentive to strive for achievement in these areas at the expense of other core subjects, including physical education and fine arts.

We urge the committee to hold this bill.

Thank you for the opportunity to testify.

