

JAN 27 2010

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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. Section 302A-1303.6, Hawaii Revised Statutes,  
2 is amended to read as follows:

3           "**§302A-1303.6 Weighted student formula.** (a) Based upon  
4 recommendations from the committee on weights, the board of  
5 education, not less than annually, shall adopt a weighted  
6 student formula for the allocation of moneys to public schools  
7 that takes into account the educational needs of each student.  
8 The department, upon the receipt of appropriated moneys, shall  
9 use the weighted student formula to allocate funds to public  
10 schools. Principals shall expend moneys provided to the  
11 principals' schools. This [~~section~~] subsection shall only apply  
12 to charter schools for fiscal years in which the charter schools  
13 elect pursuant to section 302B-13 to receive allocations  
14 according to the weighted student formula.

15           (b) Beginning with fiscal year 2010-2011, if a student  
16 transfers from a public school to a charter school, funding  
17 shall be transferred as follows:



1       (1) During a fiscal year in which the charter schools,  
2       pursuant to section 302B-13, elect to receive  
3       allocations according to a weighted student formula,  
4       the department shall transfer to the charter school in  
5       which the student enrolls, within            days, an  
6       amount equal to that weighted student formula  
7       allocation for the remaining fiscal year for that  
8       student; and

9       (2) During a fiscal year in which the charter schools,  
10      pursuant to section 302B-13, elect to not receive  
11      allocations according to a weighted student formula,  
12      the department shall transfer to the charter school in  
13      which the student enrolls, within            days, an  
14      amount equal to:

15      (A) The non-facility per-pupil funding allocation,  
16              pursuant to section 302B-13, for the remaining  
17              fiscal year for that student; and

18      (B) Any per-pupil facilities funding allocation for  
19              the remaining fiscal year for that student.

20      (c) Beginning with fiscal year 2010-2011, if a student  
21      transfers from a charter school to a public school, funding  
22      shall be transferred according to section 302B-12(c)."



1 SECTION 2. Section 302B-12, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "§302B-12 Funding and finance. (a) Beginning with fiscal  
4 year 2009-2010, and each fiscal year thereafter, the  
5 non-facility per-pupil funding request for charter school  
6 students shall not be less than the per-pupil amount to the  
7 department in the most recently approved executive budget  
8 recommendation for the department, as set forth in paragraph  
9 (2); provided that:

10 (1) The per-pupil funding request shall include funding  
11 for projected enrollment figures for each charter  
12 school; and

13 (2) The per-pupil request for each regular education and  
14 special education student shall:

15 (A) Include all regular education cost categories,  
16 including comprehensive school support services,  
17 but excluding special education services;  
18 provided that special education services are  
19 provided and funded by the department;

20 (B) Include all means of financing except federal  
21 funds, as reported in the most recently-approved  
22 executive budget recommendations for the



1 department; provided that in preparing the budget  
2 the executive director shall include an analysis  
3 of the proposed budget in relationship to the  
4 most recently published department consolidated  
5 annual financial report; and

6 (C) Exclude fringe benefit costs and debt service.

7 (b) Fringe benefit costs for charter school employees,  
8 regardless of the payroll system utilized by a charter school,  
9 shall be included in the department of budget and finance's  
10 annual budget request. No fringe benefit costs shall be charged  
11 directly to or deducted from the charter school per-pupil  
12 allocations.

13 The legislature shall make an appropriation based upon the  
14 budget request; provided that the legislature may make  
15 additional appropriations for fringe, workers' compensation, and  
16 other employee benefits and facility costs. The legislature may  
17 make additional appropriations for other requested amounts that  
18 benefit charter schools.

19 The governor, pursuant to chapter 37, may impose  
20 restrictions or reductions on charter school appropriations  
21 similar to those imposed on other public schools.



1        (c) Beginning with fiscal year 2010-2011, if a student  
2 transfers from a charter school to a public school, the charter  
3 school shall transfer to the public school in which the student  
4 enrolls, within            days, an amount equal to the weighted  
5 student formula allocation adopted under section 302A-1303.6(a)  
6 for the remaining fiscal year for that student. This subsection  
7 shall apply to any fiscal year beginning with fiscal year 2010-  
8 2011, regardless of whether charter schools, pursuant to section  
9 302B-13, have elected to receive allocations according to a  
10 weighted student formula for that fiscal year.

11        (d) Beginning with fiscal year 2010-2011, if a student  
12 transfers from a public school to a charter school, funding  
13 shall be transferred according to section 302A-1303.6(b).

14        [~~(e)~~] (e) Charter schools shall be eligible for all  
15 federal financial support to the same extent as all other public  
16 schools. The department shall provide the office with all  
17 state-level federal grant proposals submitted by the department  
18 that include charter schools as potential recipients and timely  
19 reports on state-level federal grants received for which charter  
20 schools may apply or are entitled to receive. Federal funds  
21 received by the department for charter schools shall be  
22 transferred to the office for distribution to charter schools in



1 accordance with the federal requirements. If administrative  
2 services related to federal grants and subsidies are provided to  
3 the charter school by the department, the charter school shall  
4 reimburse the department for the actual costs of the  
5 administrative services in an amount that shall not exceed six  
6 and one-half per cent of the charter school's federal grants and  
7 subsidies.

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

19 All additional funds generated by the local school boards,  
20 that are not from a supplemental grant, shall be held separate  
21 from allotted funds and may be expended at the discretion of the  
22 local school boards.



1           ~~(d)~~ (f) To enable charter schools to access state  
2 funding prior to the start of each school year, foster their  
3 fiscal planning, and enhance their accountability, the office  
4 shall:

5           (1) Provide fifty per cent of a charter school's per-pupil  
6 allocation based on the charter school's projected  
7 student enrollment no later than July 20 of each  
8 fiscal year; provided that the charter school shall  
9 have submitted to the office a projected student  
10 enrollment no later than May 15 of each year;

11           (2) Provide an additional forty per cent of a charter  
12 school's per-pupil allocation no later than  
13 November 15 of each year; provided that the charter  
14 school shall have submitted to the office:

15           (A) Student enrollment as verified on October 15 of  
16 each year; provided that the student enrollment  
17 shall be verified on the last business day  
18 immediately prior to October 15 should that date  
19 fall on a weekend; and

20           (B) An accounting of the percentage of student  
21 enrollment that transferred from public schools  
22 established and maintained by the department;



1 provided that these accountings shall also be  
2 submitted by the office to the legislature no  
3 later than twenty days prior to the start of each  
4 regular session; and

5 (3) Retain no more than ten per cent of a charter school's  
6 per-pupil allocation no later than June 30 of each  
7 year as a contingency balance to ensure fiscal  
8 accountability and compliance;

9 provided that the panel may make adjustments in allocations  
10 based on noncompliance with board policies made in the board's  
11 capacity as the state education agency, department directives  
12 made in the department's capacity as the state education agency,  
13 the office's administrative procedures, and board-approved  
14 accountability requirements.

15 [~~(e)~~] (g) The department shall provide appropriate  
16 transitional resources to a conversion charter school for its  
17 first year of operation as a charter school based upon the  
18 department's allocation to the school for the year prior to the  
19 conversion.

20 [~~(f)~~] (h) No start-up charter school or conversion charter  
21 school may assess tuition."





1 SECTION 3. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect on July 1, 2010.

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INTRODUCED BY: Michelle N. Khan

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for Khan



**Report Title:**

Public and Charter School Funding; Student Transfers

**Description:**

Requires weighted student formula or per-pupil funding to follow a student who transfers from a public school to a charter school or vice versa.

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

