
HOUSE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF BUDGET AND FINANCE TO STUDY THE PER-PUPIL FUNDING SYSTEM FOR PUBLIC CHARTER SCHOOLS TO DETERMINE WHETHER THE SYSTEM ENSURES EQUITABLE FUNDING AMONG ALL PUBLIC SCHOOLS AND WHETHER AN ALTERNATIVE SYSTEM MAY ACHIEVE GREATER FUNDING PARITY AND FINANCIAL AND LONG-TERM OPERATIONAL SUSTAINABILITY FOR PUBLIC CHARTER SCHOOLS.

1 WHEREAS, Hawaii's public charter schools are a part of the
2 state public education system and contribute to that system as a
3 whole by providing alternative educational options and modeling
4 innovative practices; and

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6 WHEREAS, each public charter school is a single state
7 entity, self-governed by a volunteer governing board,
8 independently managed, and primarily dependent on state funding
9 in order to operate; and

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11 WHEREAS, section 302D-28, Hawaii Revised Statutes, mandates
12 that the non-facility general fund per-pupil funding request for
13 public charter school students be the same as the non-facility
14 general fund per-pupil amount to the Department of Education in
15 the most recently approved executive budget recommendation for
16 the Department, but with the caveat that the general fund per-
17 pupil request includes only certain general fund cost
18 categories, and excludes other general fund cost categories; and

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20 WHEREAS, section 302D-28, Hawaii Revised Statutes, also
21 requires the Department of Budget and Finance to ensure that
22 non-facility general fund per-pupil amounts allocated for
23 Department of Education and public charter school students are
24 equal on an annualized fiscal year basis; and



1 WHEREAS, public charter schools receive the majority of
2 their funding through this non-facility general fund per-pupil
3 amount; and

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5 WHEREAS, public charter schools must also meet other
6 expenses, including facility costs; and

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8 WHEREAS, the ability of public charter schools to receive
9 facilities funding, independent of the per-pupil funding system,
10 is addressed in section 302D-29.5, Hawaii Revised Statutes, but
11 this section only requires that the Legislature "consider"
12 providing funding, and does not actually guarantee a stable
13 source of facilities funding for these schools; and

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15 WHEREAS, the State Public Charter School Commission has
16 warned in its annual reports that financial data from the public
17 charter schools reveal both short-term financial strain as well
18 as long-term operational sustainability challenges; and

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20 WHEREAS, questions have been raised about whether the
21 current per-pupil funding system provides equitable funding for
22 public charter schools as compared to Department of Education
23 schools, and whether public charter schools should instead
24 exercise their statutory option under section 302D-29, Hawaii
25 Revised Statutes, to either receive allocations in accordance
26 with the weighted student formula adopted by the Board of
27 Education pursuant to section 302A-1303.6, Hawaii Revised
28 Statutes, or to propose an alternative weighted student formula
29 to the Board of Education through their authorizer; and

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31 WHEREAS, the statutory option under section 302D-29, Hawaii
32 Revised Statutes, is available only if approved by more than a
33 two-thirds vote of the public charter school governing boards;
34 and

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36 WHEREAS, public charter school governing boards may not
37 have the resources and expertise to analyze whether the current
38 per-pupil funding system under section 302D-28, Hawaii Revised
39 Statutes, weighted student formula adopted by the Board of
40 Education pursuant to section 302A-1303.6, Hawaii Revised
41 Statutes, or an alternative weighted student formula would best
42 lead to financial and long-term operational sustainability; now,
43 therefore,



1 BE IT RESOLVED by the House of Representatives of the
2 Twenty-ninth Legislature of the State of Hawaii, Regular Session
3 of 2017, the Senate concurring, that the Department of Budget
4 and Finance is requested to conduct a study on the non-facility
5 general fund per-pupil funding system for public charter schools
6 to determine whether the present system ensures equitable
7 funding among all public schools, and whether the weighted
8 student formula adopted by the Board of Education pursuant to
9 section 302A-1303.6, Hawaii Revised Statutes, or other
10 alternative weighted student formula funding methodology may
11 achieve greater funding parity and lead to financial and long-
12 term operational sustainability; and

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14 BE IT FURTHER RESOLVED that the study:

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16 (1) Include an analysis and explanation of all general
17 fund non-facility costs referenced in section 302D-28,
18 Hawaii Revised Statutes;

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20 (2) Identify and explain all general fund cost categories
21 not currently used by the Department of Budget and
22 Finance to determine the per-pupil funding amount for
23 public charter schools;

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25 (3) Analyze whether the current per-pupil funding
26 methodology for public charter schools ensures
27 equitable funding among all public schools, using
28 figures dating back to fiscal year 2012-2013, based
29 upon relevant cost categories and actual expenditures
30 made by public charter schools and Department of
31 Education schools;

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33 (4) Consider whether public charter schools have
34 characteristics that would give them an advantage in
35 achieving funding parity and financial and long-term
36 operational sustainability under the weighted student
37 formula adopted by the Board of Education pursuant to
38 section 302A-1303.6, Hawaii Revised Statutes, and
39 identify those characteristics;

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41 (5) Consider whether public charter schools have
42 characteristics that would give them an advantage in
43 achieving funding parity and financial and long-term
44 operational sustainability under an alternative



1 weighted student formula, and identify those
2 characteristics; and

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- 4 (6) Conduct a review of the base funding, using figures
- 5 dating back to fiscal year 2012-2013, in the weighted
- 6 student formula used for Department of Education
- 7 schools, and examine whether or not the weighted
- 8 student formula or an alternative weighted student
- 9 formula would achieve greater funding parity between
- 10 public charter schools and Department of Education
- 11 schools; and
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13 BE IT FURTHER RESOLVED that the Department of Education and
14 State Public Charter School Commission are requested to come to
15 an agreement on:

- 16
- 17 (1) All of the general fund cost categories that should be
- 18 used by the Department of Budget and Finance to
- 19 determine the non-facility general fund per-pupil
- 20 funding amount to be allocated pursuant to section
- 21 302D-28(c), Hawaii Revised Statutes;
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- 23 (2) The types of expenditures to be included in these cost
- 24 categories;
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- 26 (3) The format for data submission; and
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- 28 (4) Any other fiscal information that would be relevant to
- 29 the Department of Budget and Finance's study,
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31 prior to any data being submitted to the Department of Budget
32 and Finance; and

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34 BE IT FURTHER RESOLVED that by December 1, 2017, the
35 Department of Education and State Public Charter School
36 Commission are requested to provide the data specified above to
37 the Department of Budget and Finance, to permit the Department
38 of Budget and Finance to focus its study and complete it in a
39 timely manner; and

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41 BE IT FURTHER RESOLVED that the State Public Charter School
42 Commission, Hawaii Public School Charter Network, Hawaii
43 Educational Policy Center, the Department of Accounting and
44 General Services, and other stakeholder agencies are requested



1 to provide other information and assistance as requested by the
2 Department of Budget and Finance; and

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4 BE IT FURTHER RESOLVED that the Department of Budget and
5 Finance is requested to submit a report of its findings and
6 recommendations, including any proposed legislation, to the
7 Legislature no later than twenty days prior to the convening of
8 the Regular Session of 2020; and

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10 BE IT FURTHER RESOLVED that certified copies of this
11 Concurrent Resolution be transmitted to the Director of Finance,
12 Comptroller, Chairperson of the Board of Education,
13 Superintendent of Education, Chairperson of the State Public
14 Charter School Commission, Executive Director of the State
15 Public Charter School Commission, Executive Director of the
16 Hawaii Public Charter School Network, and Director of the Hawaii
17 Educational Policy Center.

