
A BILL FOR AN ACT

RELATING TO THE PER-PUPIL FUNDING SYSTEM FOR PUBLIC CHARTER
SCHOOLS.

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

1 SECTION 1. The legislature finds that Hawaii's public
2 charter schools are a part of the state public education system
3 and contribute to that system as a whole, by providing
4 alternative educational options and modeling innovative
5 practices. Each public charter school is a single state entity,
6 and primarily dependent on state funding for operational costs.

7 The legislature further finds that the public charter
8 school system is of particular importance to the Native Hawaiian
9 community and the perpetuation of Hawaii's host culture, as
10 seventeen of the thirty-four public charter schools are
11 Hawaiian-focused or Hawaiian language immersion schools,
12 offering educational curricula grounded in Hawaiian cultural
13 values, concepts, and language.

14 Hawaii's public charter schools receive a majority of their
15 funding through a general fund per-pupil allotment. Section
16 302D-28, Hawaii Revised Statutes, mandates that non-facility
17 general fund per-pupil funding for public charter school



1 students be the same as that for department of education school
2 students. The non-facility general fund per-pupil allotment for
3 public charter schools is accordingly determined based on the
4 total funding allocated to certain programs within the
5 department of education, and the projected and verified student
6 enrollment rates for department of education and public charter
7 schools.

8 The legislature finds that questions have been raised
9 regarding whether the per-pupil funding system provides equal
10 funding for public charter schools as intended under the law,
11 including whether all required department of education cost
12 categories are appropriately and consistently factored into the
13 determination of the per-pupil allotment for public charter
14 schools. A potential disparity in per-pupil funding is of
15 particular concern, given that public charter schools must also
16 meet other expenses, including facility costs, not borne by
17 department of education schools, and given the state public
18 charter school commission's warning in its annual reports that
19 public charter schools may face short-term financial strain as
20 well as long-term operational sustainability challenges.



1 The purpose of this Act is to require the legislative
2 reference bureau to conduct a study on the per-pupil funding
3 system, to determine whether the system fulfills its statutory
4 purpose of equalizing operational funding among public schools.

5 SECTION 2. (a) The legislative reference bureau shall
6 conduct a study on the non-facility general fund per-pupil
7 funding system for public charter schools, to determine whether
8 the system fulfills its statutory purpose of equalizing
9 operational funding among the State's public schools. The study
10 shall:

- 11 (1) Include all general fund non-facility costs described
12 in section 302D-28(a), Hawaii Revised Statutes,
13 including but not limited to school-based budgeting,
14 instructional support, school administration, and
15 school support;
- 16 (2) Describe all general fund cost categories not
17 considered in the determination of per-pupil funding
18 for public charter schools, except for fringe benefits
19 costs under section 302D-28(b), Hawaii Revised
20 Statutes; and



1 (3) Provide any other fiscal information that would be
2 relevant to the legislative reference bureau's study.

3 (b) The department of education and the state public
4 charter school commission shall jointly designate specific data
5 detailing what the present system of funding consists of within
6 the statutory allocation, to enable the bureau to focus its
7 study and complete it in a timely manner, and shall provide that
8 data to the legislative reference bureau, in a format to be
9 determined by the bureau, by June 30, 2017.

10 (c) The department of education, department of budget and
11 finance, state public charter school commission, Hawaii Public
12 Charter School Network, Hawaii Educational Policy Center, and
13 other stakeholder agencies are requested to provide other
14 information and assistance as requested by the legislative
15 reference bureau.

16 (d) The legislative reference bureau may enter into
17 contracts for services for the purpose of conducting the study.
18 Contracts entered into under this subsection shall be exempt
19 from the requirements of chapter 103D, Hawaii Revised Statutes.

20 (e) The legislative reference bureau shall submit a report
21 of its findings and recommendations, including any proposed



1 legislation, to the legislature no later than twenty days prior
2 to the convening of the regular session of 2019.

3 SECTION 3. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$50,000 or so much
5 thereof as may be necessary for fiscal year 2017-2018 and the
6 same sum or so much thereof as may be necessary for fiscal year
7 2018-2019 for contracts for services necessary to conduct a
8 study on the non-facility general fund per-pupil funding system
9 for public charter schools.

10 The sums appropriated shall be expended by the legislative
11 reference bureau for the purposes of this Act.

12 SECTION 4. This Act shall take effect upon its approval;
13 provided that section 3 shall take effect on July 1, 2017.

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Report Title:

OHA Package; Per-pupil Funding System; Legislative Reference Bureau; Study; Appropriation

Description:

Requires the Legislative Reference Bureau to conduct a study on the non-facility general fund per-pupil funding system for public charter schools, to determine whether the system fulfills its statutory purpose of equalizing operational funding among the State's public schools. Authorizes the Legislative Reference Bureau to enter contracts for services to conduct the study. Makes an appropriation. (SD1)

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