Honolulu, Hawaii

FEB 1 7 2017

RE: S.B. No. 466
         S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

        Your Committee on Education, to which was referred S.B.
No. 466 entitled:

        "A BILL FOR AN ACT RELATING TO THE PER-PUPIL FUNDING SYSTEM
        FOR PUBLIC CHARTER SCHOOLS,"

begs leave to report as follows:

        The purpose and intent of this measure is to require the
Legislative Reference Bureau to conduct a study of 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.

        Your Committee received testimony in support of this measure
from the Office of Hawaiian Affairs, State Public Charter School
Commission, Hawaii State Teachers Association, Hawaii Public
Charter School Network, Kamehameha Schools, Hālau Kū Māna Public
Charter School, Kona Pacific Public Charter School, IMUAlliance,
and twenty-one individuals. Your Committee received comments on
this measure from the Legislative Reference Bureau.

        Your Committee finds that public charter schools in Hawaii
receive a majority of their funding through a general per-pupil
allotment. Your Committee further finds that the per-pupil
allotment is intended to provide equal funding to public charter
schools as compared to Department of Education schools. Your
Committee additionally finds that questions have been raised
regarding whether or not the per-pupil allotment achieves its

purpose of providing equal funding, and whether a disparity in per-pupil funding exists. This measure will mandate a study, conducted by the Legislative Reference Bureau, to assess whether the per-pupil allotment system provides for equal operational funding for public charter schools as compared to Department of Education schools.

Your Committee has amended this measure by:

(1)   Requiring the Department of Education and the State Public Charter School Commission to jointly designate the data that the Department and Commission will provide to the Legislative Reference Bureau;

(2)   Exempting fringe benefit costs from the study;

(3)   Authorizing the Legislative Reference Bureau to enter contracts for services, exempt from the requirements of chapter 103D, Hawaii Revised Statutes, to conduct the study;

(4)   Adding language appropriating $50,000 to the Legislative Reference Bureau to contract for services to conduct the study; and

(5)   Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 466, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 466, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committee on Education,

MICHELLE N. KIDANI, Chair

The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Education
EDU

Bill / Resolution No.:*	Committee Referral:	Date:
SB466	EDU, WAM	2-13-17

☐ The Committee is reconsidering its previous decision on this measure.

If so, then the previous decision was to:_____

The Recommendation is:

☐ Pass, unamended 2312	☑ Pass, with amendments 2311	☐ Hold 2310	☐ Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
KIDANI, Michelle N. (C)	✓			
KAHELE, Kaiali'i (VC)	✓			
DELA CRUZ, Donovan M.				✓
ESPERO, Will	✓			KK
RIVIERE, Gil				✓
TOTAL	3			2

Recommendation:

☑ Adopted   ☐ Not Adopted

Chair's or Designee's Signature:

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*Only one measure per Record of Votes