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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. The legislature finds that article X,  
2 section 1, of the Constitution of the State of Hawaii requires  
3 the State to provide a system of public education. Compared to  
4 other states, Hawaii is unique because the State, rather than a  
5 county or local level jurisdiction, is responsible for public  
6 education. As a result, funding for public education in Hawaii  
7 is primarily sourced from the general fund of the State.

8           The legislature further finds that adequate funding is  
9 crucial to providing each of Hawaii's children with a high-  
10 quality educational opportunity. Yet, some studies found that  
11 education funding in Hawaii may be lagging in comparison to  
12 districts of similar size and cost of living. For example,  
13 according to an analysis of real property tax in Hawaii  
14 performed by the department of business, economic development,  
15 and tourism in 2017, Hawaii's education expenditures, as a share  
16 of combined state and local government expenditures, is 27.3 per  
17 cent and ranks as the lowest in the nation.



1           The legislature additionally finds that underfunding public  
2 schools could undermine the State's goal of providing a quality  
3 education to all of Hawaii's children. Insufficient education  
4 funding results in higher class sizes, a lack of adequate  
5 classroom supplies, elimination of arts and career and technical  
6 education courses, budget cuts for special education and English  
7 language learner programs, and an increasing number of vacant  
8 teacher positions. To prepare children to meet the social and  
9 economic demands of the twenty-first century, it is necessary to  
10 understand the amount of funding necessary to support student  
11 learning.

12           The purpose of this Act is to require the department of  
13 education to contract with a third party consultant that  
14 specializes in school finance and has previous experience in  
15 conducting studies of public education systems in multiple  
16 states to perform a study on the adequacy of education funding  
17 in Hawaii.

18           SECTION 2. (a) The department of education shall contract  
19 with a third party consultant that specializes in school finance  
20 to perform a study of the adequacy of education funding in  
21 Hawaii. The third party consultant shall have previous



1 experience conducting studies of education systems in multiple  
2 states.

3 (b) The study shall:

4 (1) Employ the evidence-based method to evaluate the  
5 adequacy of school funding, but may include the  
6 professional judgement method in its analysis;

7 (2) Identify variables most closely associated with a  
8 high-quality education and estimate the amount of  
9 additional funding needed to provide all public school  
10 students in Hawaii with an equal educational  
11 opportunity;

12 (3) Compare Hawaii teacher salaries with teacher salaries  
13 in school districts of similar size and cost of living  
14 to determine compensation characteristics that impact  
15 the department of education's ability to recruit and  
16 retain effective teachers;

17 (4) Assess the equity of funding between schools  
18 throughout the Hawaii public school system; and

19 (5) Review school funding studies performed in other  
20 states, including "Using the Evidence-Based Method to  
21 Identify Adequate Spending Levels for Vermont Schools"



1 (2016) by Picus Odden and Associates and "Washington  
2 Adequacy Funding Study" (2007) by the Education Policy  
3 Improvement Center.

4 (c) The department of education shall submit a copy of the  
5 study, along with a report of its findings and recommendations,  
6 including any proposed legislation, to the legislature no later  
7 than twenty days prior to the convening of the regular session  
8 of 2021.

9 SECTION 3. There is appropriated out of the general  
10 revenues of the State of Hawaii the sum of \$200,000 or so much  
11 thereof as may be necessary for fiscal year 2019-2020 for the  
12 department of education to contract with a third party  
13 consultant that specializes in school finance to perform a study  
14 of the adequacy of education funding in Hawaii.

15 The sum appropriated shall be expended by the department of  
16 education for the purposes of this Act.

17 SECTION 4. This Act shall take effect upon its approval;  
18 provided that section 3 shall take effect on July 1, 2019.

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**Report Title:**

Education; Adequacy Study; Appropriation

**Description:**

Requires the department of education to contract with a firm that specializes in school finance to study the adequacy of education in Hawaii. Appropriates moneys for the study. (SD1)

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