
A BILL FOR AN ACT

RELATING TO EDUCATION.

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

1 SECTION 1. Section 302A-706, Hawaii Revised Statutes, is
2 amended by amending its title and subsection (a) to read as
3 follows:

4 "§302A-706 [~~Teacher national board~~] National certification
5 incentive program. (a) There is established within the
6 department the [~~teacher~~] national [~~board~~] certification
7 incentive program to recognize and support exemplary [~~teaching~~]
8 educational practice by supporting public school teachers and
9 school psychologists who have achieved national [~~board~~]
10 certification under the certification program of the National
11 Board for Professional Teaching Standards [-] or the National
12 Association of School Psychologists. The [~~teacher~~] national
13 [~~board~~] certification incentive program shall provide:

14 (1) A \$5,000 bonus per year for each public school teacher
15 or school psychologist who maintains current national
16 [~~board~~] certification;



- 1 (2) Up to \$1,500, depending on the certification fee
2 structure, upon completing all components of the
3 certification program of the National Board for
4 Professional Teaching Standards[+] or National
5 Association of School Psychologists;
- 6 (3) A reimbursement of the remainder of the national
7 ~~[board]~~ certification application fee upon achievement
8 of national ~~[board]~~ certification; ~~[and]~~
- 9 (4) An additional \$5,000 bonus per year for each public
10 school teacher or school psychologist who maintains
11 current national ~~[board]~~ certification and who
12 ~~[teaches]~~ is employed by the department and provides
13 school psychology services to children at:
- 14 (A) A school ~~[in a focus, priority, or~~
15 ~~superintendent's zone, or other similar~~
16 ~~designation, as determined]~~ that has been
17 identified for comprehensive or targeted support
18 and improvement by the department; provided that
19 all teachers receiving the bonus under this
20 subparagraph during the 2018-2019 school year



1 shall remain eligible for the bonus subject to
2 the limitations imposed under paragraph (5);
3 (B) A school with a high turnover rate, as determined
4 by the department; or
5 (C) A hard-to-fill school, as determined by the
6 department [-]; and
7 (5) An additional \$5,000 bonus per year for any teacher or
8 school psychologist employed at a public school who
9 received a yearly bonus pursuant to paragraph (4);
10 provided that the teacher or school psychologist
11 maintains national certification and continues working
12 in the same school after the school transitions from
13 the qualifying designation pursuant to paragraph (4);
14 provided further that the teacher or school
15 psychologist shall receive the additional bonus from
16 the time the school no longer meets any of the
17 criteria under paragraph (4) until the end date of the
18 teacher's or school psychologist's national
19 certification in effect at the time the school lost
20 its designation, or until the teacher or school



1 psychologist is no longer employed at the school,
2 whichever occurs first."

3 SECTION 2. Section 302D-28, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "**§302D-28 Funding and finance.** (a) Beginning with fiscal
6 year 2012-2013, and each fiscal year thereafter, the non-
7 facility general fund per-pupil funding request for charter
8 school students shall be the same as the general fund per-pupil
9 amount to the department in the most recently approved executive
10 budget recommendation for the department and shall be based upon
11 reasonable projected enrollment figures for all charter schools.
12 The general fund per-pupil request for each regular education
13 and special education student shall:

- 14 (1) Include all general fund regular education cost
15 categories, including comprehensive school support
16 services, but excluding special education services,
17 adult education, and the after-school plus program;
18 provided that these services are provided and funded
19 by the department; and



1 (2) Exclude fringe benefit costs; costs of teacher
2 incentives, bonuses, and other compensation beyond
3 regular wages; and debt service.

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

10 The legislature shall make an appropriation based upon the
11 budget request; provided that the legislature may make
12 additional appropriations for facility and other costs.

13 The governor, pursuant to chapter 37, may impose
14 restrictions or reductions on charter school appropriations
15 similar to those imposed on department schools.

16 (c) Notwithstanding any law to the contrary, to ensure
17 non-facility per-pupil general fund amounts allocated for the
18 department and charter school students are equal on an
19 annualized fiscal year basis, each year the director of finance
20 shall:



- 1 (1) Determine the sum of general fund appropriations made
2 for department and charter school student non-facility
3 costs described in subsections (a) and (b);
- 4 (2) Determine the sum of department and charter school
5 student enrollment based on reviewed and verified
6 student enrollment counts as of October 15;
- 7 (3) Determine a per-pupil amount by dividing the sum of
8 general fund appropriations determined under paragraph
9 (1) by the sum of student enrollment determined under
10 paragraph (2);
- 11 (4) Transfer a general fund amount between the department
12 and charter schools that will provide each with a per-
13 pupil allocation equal to the amount determined on an
14 annualized fiscal year basis under paragraph (3); and
- 15 (5) Annually account for all calculations and transfers
16 made pursuant to this subsection in a report to the
17 legislature, governor, department, and charter
18 schools.

19 This subsection shall not limit the ability of the director of
20 finance to modify or amend any allotment pursuant to chapter 37.



1 (d) Charter schools shall be eligible for all federal
2 financial support to the same extent as department schools. The
3 department shall provide all authorizers with all state-level
4 federal grant proposals submitted by the department that include
5 charter schools as potential recipients and timely reports on
6 state-level federal grants received for which charter schools
7 may apply or are entitled to receive. Federal funds received by
8 the department for charter schools shall be transferred to
9 authorizers for distribution to the charter schools they
10 authorize in accordance with the federal requirements. If
11 administrative services related to federal grants are provided
12 to the charter school by the department, the charter school
13 shall reimburse the department for the actual costs of the
14 administrative services in an amount that shall not exceed six
15 per cent of the charter school's federal grants.

16 Any charter school shall be eligible to receive any
17 supplemental federal grant or award for which any department
18 school may submit a proposal, or any supplemental federal grants
19 limited to charter schools; provided that if department
20 administrative services, including funds management, budgetary,
21 fiscal accounting, or other related services, are provided with



1 respect to these supplemental grants, the charter school shall
2 reimburse the department for the actual costs of the
3 administrative services in an amount that shall not exceed six
4 per cent of the supplemental grant for which the services are
5 used.

6 All additional funds generated by the governing boards,
7 that are not from a supplemental grant, shall be held separate
8 from allotted funds and may be expended at the discretion of the
9 governing boards.

10 (e) Authorizers shall calculate a general fund per-pupil
11 amount based upon the amount of general funds appropriated by
12 the legislature and released by the governor and the projected
13 enrollment amount used to calculate the general funds
14 appropriated pursuant to subsection (a).

15 Authorizers shall submit a report to the legislature no
16 later than twenty days prior to the convening of each regular
17 session that contains each charter school's current school year
18 projection that is used to submit the budget request, the
19 updated May 15 enrollment projection, the actual October 15
20 enrollment count, the authorizer's reviewed and verified
21 enrollment count, and the November 15 enrollment count.



1 (f) To enable charter schools to access state funding
2 prior to the start of each school year, foster their fiscal
3 planning, enhance their accountability, and avoid over-
4 allocating general funds to charter schools based on self-
5 reported enrollment projections, authorizers shall:

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

12 (2) Provide an additional thirty per cent of a charter
13 school's per-pupil allocation no later than December 1
14 of each year, based on the October 15 student
15 enrollment, as reviewed and verified by the
16 authorizer, only to schools in compliance with all
17 financial reporting requirements; and

18 (3) Retain no more than the balance of the remaining ten
19 per cent of a charter school's per-pupil allocation,
20 as a contingency balance to ensure fiscal



1 accountability and compliance, no later than June 30
2 of each year;
3 provided that authorizers may make adjustments in allocations
4 based on noncompliance with charter contracts and the board may
5 make adjustments in allocations based on noncompliance with
6 board policies made in the board's capacity as the state
7 education agency, department directives made in the department's
8 capacity as the state education agency, the board's
9 administrative procedures, and board-approved accountability
10 requirements.

11 (g) The department shall provide appropriate transitional
12 resources to a conversion charter school for its first year of
13 operation as a charter school based upon the department's
14 allocation to the school for the year prior to the conversion.

15 (h) No charter school may assess tuition; provided that a
16 charter school may assess and collect special fees and charges
17 from students for co-curricular activities. Any special fees
18 and charges collected pursuant to this subsection shall be
19 deposited into insured checking or savings accounts and expended
20 by each individual charter school.



1 (i) Funds necessary to pay for teacher incentive programs,
2 bonuses, and other compensation required by law or collective
3 bargaining beyond regular wages shall not be paid out of a
4 charter school's facilities funding or per-pupil funds.
5 Beginning with fiscal year 2019-2020, and each fiscal year
6 thereafter, the funding request for teacher incentive programs,
7 bonuses, and other compensation required by law or collective
8 bargaining beyond regular wages for each charter school shall be
9 a separate line item in the general appropriations act and
10 supplemental appropriations act."

11 SECTION 3. There is appropriated out of the general
12 revenues of the State of Hawaii the sum of \$ or so
13 much thereof as may be necessary for fiscal year 2019-2020 and
14 the same sum or so much thereof as may be necessary for fiscal
15 year 2020-2021 to pay for the following bonuses for public
16 school teachers, public charter school teachers, and school
17 psychologists:

18 (1) Collectively bargained placement bonuses in schools
19 determined as hard-to-fill by the department of
20 education; and



1 (2) National certification incentive program bonuses as
2 outlined pursuant to section 302A-706, Hawaii Revised
3 Statutes.

4 The sums appropriated as separate line items to the
5 department of education and state public charter school
6 commission shall be expended by the appropriate entity for the
7 purposes of this Act.

8 SECTION 4. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 5. This Act shall take effect on July 1, 2019.



Report Title:

Education; National Certification Incentive Program and Funding;
Teachers; School Psychologists; Appropriation

Description:

Renames the teacher national board certification incentive program the national certification incentive program. Expands program eligibility to include school psychologists. Clarifies requirements and incentives of the program. Clarifies that teacher incentives, bonuses, and compensation beyond regular wages are excluded from the per-pupil request and included as separate line item in the budget for public charter schools. Appropriates funds. (SD1)

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