



STATE OF HAWAII
DEPARTMENT OF EDUCATION
KA 'OIHANA HO'ONA'AUAO
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 04/03/2024

Time: 02:15 PM

Location: 308 VIA VIDEOCONFERENCE

Committee: House Finance

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Bill Title: SB 3092, SD2, HD1 MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF EDUCATION FOR CHARTER SCHOOLS.

Purpose of Bill: Makes an emergency appropriation to the Department of Education for charter school operations. Effective 7/1/3000. (HD1)

Department's Position:

Department: Education

Testifier Keith T. Hayashi, Superintendent of Education

Bill Title SB 3092, SD2 MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF EDUCATION FOR CHARTER SCHOOLS.

Purpose of Bill Makes an emergency appropriation to the Department of Education for charter school operations. Declares that the appropriation exceeds the general fund expenditure ceiling for 2024-2025. Effective 7/1/2050. (SD2)

Department's Position:

The Hawaii State Department of Education (Department) supports SB 3092 SD2 HD1, an administrative package bill, which seeks a current fiscal year general fund appropriation for the amount the Department was required to transfer to the Charter Schools (from EDN 100 School Based Budgeting to EDN 600 Charter Schools) per Hawaii Revised Statutes (HRS) Chapter 302D - Public Charter Schools Section 28 - Funding and finance. The amount requested to be included in Section 4 of this

measure is \$6.6 million.

One of the requirements contained in HRS 302D-28, intended to ensure that the non-facility general fund per pupil funding required for charter schools is the same as the general fund per pupil amount to the Department, is that:

"(c) ...each year the director of finance shall:

(1) Determine the sum of general fund appropriations made for department and charter school student non-facility costs described in subsections (a) and (b);

(2) Determine the sum of department and charter school student enrollment based on reviewed and verified student enrollment counts as of October 15;

(3) Determine a per-pupil amount by dividing the sum of general fund appropriations determined under paragraph (1) by the sum of student enrollment determined under paragraph (2);

(4) Transfer a general fund amount between the department and charter schools that will provide each with a per-pupil allocation equal to the amount determined on an annualized fiscal year basis under paragraph (3); and

(5) Annually account for all calculations and transfers made pursuant to this subsection in a report to the legislature, governor, department, and charter schools."

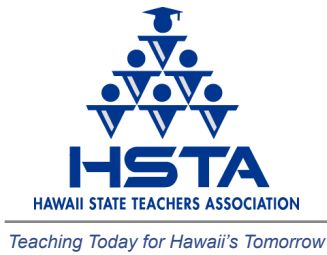
This year, the result of the "true-up" calculation was that the Department needed to transfer to Charter Schools \$6,588,748.69 by November 15, 2023. This amount was much larger than in previous years. The reason for this large "true-up" was due to the combination of the Legislature's use of a lower than projected enrollment figure for Charter Schools (\$3.1 million impact), an apparent misapplication of the funding formula using the lower enrollment projection (\$1.9 million impact), and actual October 15, 2023 enrollments for both the Department and Charter Schools being higher than projected (\$1.6 million impact).

As required by statute, the Department has transferred nearly \$6.6 million from EDN 100 to EDN 600. The reduction to the Department's Fiscal Year 2023-24 general funds has not been imposed at the program level (e.g. Weighted Student Formula, Athletics, Hawaiian Studies, etc.), but only at the EDN level. As a result, the Department's EDN 100 program allocations are exceeding available funds by nearly \$6.6 million. This \$6.6 million is needed to address this over-allocation situation.

Thank you for the opportunity to provide testimony in support of this measure.

SB 3092 SD2 HD1 - Department of Education Testimony Attachment

FY 23-24 APPROPRIATION		
a	EDN100 Appropriation	1,192,034,817
b	EDN200 Appropriation	80,565,206
c	EDN300 Appropriation	62,248,091
d	EDN400 Appropriation	258,785,885
e = a+b+c+d	DOE Basis for PCS Per Pupil Funding	1,593,633,999
f	DOE K-12 projected enrollment	154,096
g = e/f	DOE Per Pupil Amount	10,341.83
h	PCS K-12 projected enrollment (Commission projection was 12,415)	12,116
i = g*h	PCS Per Pupil Amount if calculated per 302D-28	125,301,562
budget bill	EDN600 Appropriation *	123,362,613
<i>* not clear how the EDN600 appropriaton was determined</i>		
OCTOBER 15, 2023 TRUE UP		
a	DOE K-12 October 15, 2023 Enrollment	154,575
b	PCS K-12 October 15, 2023 Enrollment	12,657
c = a+b	Total K-12 October 15, 2023 Enrollment	167,232
d	DOE Appropriation	1,593,633,999
e	PCS Appropriation	123,362,613
f = d+e	Combined Total Appropriation	1,716,996,612
g = f / c	Combined Per Pupil	\$10,267.15
h = a * g	DOE Updated	\$1,587,045,250.31
i = b * g	PCS Updated	\$129,951,361.69
j = h - d	DOE Adj	-\$6,588,748.69
k = i - e	PCS Adj	\$6,588,748.69



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TESTIMONY TO THE HAWAII HOUSE COMMITTEE ON FINANCE

Item: **SB3092 SD2 HD1 - Making an emergency appropriation to the Department of Education for charter schools**

Position: **Support**

Hearing: **April 3, 2024, 2:15 p.m., Conference Room 308**

Submitter: **Osa Tui, Jr. – President, Hawai'i State Teachers Association**

Chair Yamashita, Vice Chair Kitagawa, and members of the committee,

The Hawai'i State Teachers Association **supports** SB3092 SD2 HD1 which makes an emergency appropriation to the Department of Education for charter school operations.

Hawai'i public charter school enrollment has grown at 4% faster than projected. With charter school funding based on the proportionality of their enrollment when compared to the department's, they need this critical funding so that their students can be provided the services they are equally entitled to as their counterpart students in HIDOE schools.

The Hawai'i State Teachers Association asks your committee to **support** this bill.