
A BILL FOR AN ACT

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

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAI'I:

1 SECTION 1. The legislature finds that Hawai'i'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 Hawai'i'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 Hawai'i's public charter schools receive a majority of their
15 funding through a general fund per-pupil allotment. Section
16 302D-28, Hawai'i Revised Statutes, mandates that non-facility
17 general fund per-pupil funding for public charter school
18 students be the same as that for department of education school

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

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

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

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

7 (1) Include all general fund non-facility costs described
8 in Hawai'i Revised Statutes section 302D-28(a) and (b),
9 including but not limited to school-based budgeting,
10 instructional support, ~~school~~state administration,
11 and school support;

12 (2) Describe all general fund cost categories not
13 considered in the determination of per-pupil funding
14 for public charter schools; and

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

17 (b) The department of education and the state public
18 charter school commission shall provide specific data to the
19 legislative reference bureau by June 30, 2017, in a format to be
20 determined by the bureau, detailing what the present system of
21 funding is comprised of within the statutory allocation, to
22 permit the bureau to target its study and complete it in a
23 timely manner.

1 (c) The department of education, department of budget and
2 finance, state public charter school commission, Hawai'i Public
3 Charter School Network, Hawai'i Educational Policy Center, and
4 other stakeholder agencies are requested to provide other
5 information and assistance as requested by the legislative
6 reference bureau.

7 (d) The legislative reference bureau shall submit a report
8 of its findings and recommendations, including any proposed
9 legislation, to the legislature no later than twenty days prior
10 to the convening of the regular session of 2019.

11 SECTION 3. This Act shall take effect upon its approval.

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13 INTRODUCED BY: _____

By Request