

Honolulu, Hawaii

FEB 18 2011

RE: S.B. No. 1174

S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Education, to which was referred S.B. No. 1174 entitled:

"A BILL FOR AN ACT RELATING TO CHARTER SCHOOLS,"

begs leave to report as follows:

The purpose and intent of this measure is to establish a funding formula for charter school facilities.

Your Committee received testimony in support of this measure from the Charter School Administrative Office, the Charter School Review Panel, the Office of Hawaiian Affairs, Kamehameha Schools, Ho'okako'o Corporation, Hawaii Technology Academy, West Hawai'i Explorations Academy, Hawaii Charter Schools Network, and one individual. Your Committee received testimony in opposition to this measure from the Department of Education.

Your Committee finds that facilities funding for charter schools is a critically important issue; however, as the discussions on a specific funding formula are ongoing, your Committee finds that it is appropriate to delay the codification of a funding formula in statute at this time. Continued deliberation will give charter school stakeholders more time and opportunity to flesh out the details of a funding formula.

Your Committee's intent is that until a funding formula is established, the Charter School Administrative Office should prepare proposed budget requests for needs-based facilities funding pursuant to section 302B-8(b), Hawaii Revised Statutes,



and provide a detailed explanation as to the formula used in developing the budget request and a funding request breakdown by school.

Accordingly, your Committee has amended this measure by:

- (1) Amending section 302B-8(b), Hawaii Revised Statutes, to:
 - (A) Require that budget requests for needs-based facilities funding be accompanied by a detailed explanation as to the formula used and the funding request breakdown by school;
 - (B) Remove the requirement that the budget requests provide funding based on projected enrollment for the ensuing school year;
 - (C) Remove the requirement that the budget requests contain a calculation of per-pupil funding based on the Department of Budget and Finance's debt service appropriation by the Department of Education's actual enrollment that school year; and
 - (D) Remove the requirement that the budget requests provide that no less than seventy percent of the amount appropriated shall be allocated by the Charter School Administrative Office to start up charter schools on a per-pupil basis; and
- (2) Re-establishing the Charter Schools Funding Task Force created by Senate Concurrent Resolution No. 108, S.D. 2 (2010) to specifically develop a needs-based facilities funding formula for charter schools.

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. 1174, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1174, S.D. 1, and be referred to the Committee on Ways and Means.



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



JILL TOKUDA, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Education
EDU

Bill / Resolution No.:* SB 1174	Committee Referral: EDU, WAM	Date: 2-7-11		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	/			
KIDANI, Michelle N. (VC)	/			
CHUN OAKLAND, Suzanne				/
NISHIHARA, Clarence K.	/			
TANIGUCHI, Brian T.				/
SLOM, Sam	/			
TOTAL	4			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes