

---

# HOUSE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF BUDGET AND FINANCE TO STUDY THE PER-PUPIL FUNDING SYSTEM FOR PUBLIC CHARTER SCHOOLS TO DETERMINE WHETHER THE SYSTEM ENSURES EQUITABLE FUNDING AMONG ALL PUBLIC SCHOOLS AND WHETHER AN ALTERNATIVE SYSTEM MAY ACHIEVE GREATER FUNDING PARITY AND FINANCIAL AND LONG-TERM OPERATIONAL SUSTAINABILITY FOR PUBLIC CHARTER SCHOOLS.

1           WHEREAS, Hawaii's public charter schools are a part of the  
2 state public education system and contribute to that system as a  
3 whole by providing alternative educational options and modeling  
4 innovative practices; and

5  
6           WHEREAS, each public charter school is a single state  
7 entity, self-governed by a volunteer governing board,  
8 independently managed, and primarily dependent on state funding  
9 in order to operate; and

10  
11           WHEREAS, section 302D-28, Hawaii Revised Statutes, mandates  
12 that the non-facility general fund per-pupil funding request for  
13 public charter school students be the same as the non-facility  
14 general fund per-pupil amount to the Department of Education in  
15 the most recently approved executive budget recommendation for  
16 the Department, but with the caveat that the general fund per-  
17 pupil request includes only certain general fund cost  
18 categories, and excludes other general fund cost categories; and

19  
20           WHEREAS, section 302D-28, Hawaii Revised Statutes, also  
21 requires the Department of Budget and Finance to ensure that  
22 non-facility general fund per-pupil amounts allocated for  
23 Department of Education and public charter school students are  
24 equal on an annualized fiscal year basis; and

25



# H.C.R. NO. 81

1           WHEREAS, public charter schools receive the majority of  
2 their funding through this non-facility general fund per-pupil  
3 amount; and

4  
5           WHEREAS, public charter schools must also meet other  
6 expenses, including facility costs; and

7  
8           WHEREAS, the ability of public charter schools to receive  
9 facilities funding, independent of the per-pupil funding system,  
10 is addressed in section 302D-29.5, Hawaii Revised Statutes, but  
11 this section only requires that the Legislature "consider"  
12 providing funding, and does not actually guarantee a stable  
13 source of facilities funding for these schools; and

14  
15           WHEREAS, the State Public Charter School Commission has  
16 warned in its annual reports that financial data from the public  
17 charter schools reveal both short-term financial strain as well  
18 as long-term operational sustainability challenges; and

19  
20           WHEREAS, questions have been raised about whether the  
21 current per-pupil funding system provides equitable funding for  
22 public charter schools as compared to Department of Education  
23 schools, and whether public charter schools should instead  
24 exercise their statutory option under section 302D-29, Hawaii  
25 Revised Statutes, to either receive allocations in accordance  
26 with the weighted student formula adopted by the Board of  
27 Education pursuant to section 302A-1303.6, Hawaii Revised  
28 Statutes, or to propose an alternative weighted student formula  
29 to the Board of Education through their authorizer; and

30  
31           WHEREAS, the statutory option under section 302D-29, Hawaii  
32 Revised Statutes, is available only if approved by more than a  
33 two-thirds vote of the public charter school governing boards;  
34 and

35  
36           WHEREAS, public charter school governing boards may not  
37 have the resources and expertise to analyze whether the current  
38 per-pupil funding system under section 302D-28, Hawaii Revised  
39 Statutes, weighted student formula adopted by the Board of  
40 Education pursuant to section 302A-1303.6, Hawaii Revised  
41 Statutes, or an alternative weighted student formula would best



## H.C.R. NO. 81

1 lead to financial and long-term operational sustainability; now,  
2 therefore,

3  
4 BE IT RESOLVED by the House of Representatives of the  
5 Twenty-ninth Legislature of the State of Hawaii, Regular Session  
6 of 2017, the Senate concurring, that the Department of Budget  
7 and Finance is requested to conduct a study on the non-facility  
8 general fund per-pupil funding system for public charter schools  
9 to determine whether the present system ensures equitable  
10 funding among all public schools, and whether the weighted  
11 student formula adopted by the Board of Education pursuant to  
12 section 302A-1303.6, Hawaii Revised Statutes, or other  
13 alternative weighted student formula funding methodology may  
14 achieve greater funding parity and lead to financial and long-  
15 term operational sustainability; and

16

17 BE IT FURTHER RESOLVED that the study:

18

19 (1) Include an analysis and explanation of all general  
20 fund non-facility costs referenced in section 302D-28,  
21 Hawaii Revised Statutes;

22

23 (2) Identify and explain all general fund cost categories  
24 not currently used by the Department of Budget and  
25 Finance to determine the per-pupil funding amount for  
26 public charter schools;

27

28 (3) Analyze whether the current per-pupil funding  
29 methodology for public charter schools ensures  
30 equitable funding among all public schools, using  
31 figures dating back to fiscal year 2012-2013, based  
32 upon relevant cost categories and actual expenditures  
33 made by public charter schools and Department of  
34 Education schools;

35

36 (4) Consider whether public charter schools have  
37 characteristics that would give them an advantage in  
38 achieving funding parity and financial and long-term  
39 operational sustainability under the weighted student  
40 formula adopted by the Board of Education pursuant to  
41 section 302A-1303.6, Hawaii Revised Statutes, and  
42 identify those characteristics;



# H.C.R. NO. 81

1 (5) Consider whether public charter schools have  
2 characteristics that would give them an advantage in  
3 achieving funding parity and financial and long-term  
4 operational sustainability under an alternative  
5 weighted student formula, and identify those  
6 characteristics; and  
7

8 (6) Conduct a review of the base funding, using figures  
9 dating back to fiscal year 2012-2013, in the weighted  
10 student formula used for Department of Education  
11 schools, and examine whether or not the weighted  
12 student formula or an alternative weighted student  
13 formula would achieve greater funding parity between  
14 public charter schools and Department of Education  
15 schools; and  
16

17 BE IT FURTHER RESOLVED that the Department of Education and  
18 State Public Charter School Commission are requested to come to  
19 an agreement on:  
20

21 (1) All of the general fund cost categories that should be  
22 used by the Department of Budget and Finance to  
23 determine the non-facility general fund per-pupil  
24 funding amount to be allocated pursuant to section  
25 302D-28(c), Hawaii Revised Statutes;  
26

27 (2) The types of expenditures to be included in these cost  
28 categories;  
29

30 (3) The format for data submission; and  
31

32 (4) Any other fiscal information that would be relevant to  
33 the Department of Budget and Finance's study,  
34

35 prior to any data being submitted to the Department of Budget  
36 and Finance; and  
37

38 BE IT FURTHER RESOLVED that by June 30, 2017, the  
39 Department of Education and State Public Charter School  
40 Commission are requested to provide the data specified above to  
41 the Department of Budget and Finance, to permit the Department



# H.C.R. NO. 81

1 of Budget and Finance to focus its study and complete it in a  
2 timely manner; and  
3

4 BE IT FURTHER RESOLVED that the State Public Charter School  
5 Commission, Hawaii Public School Charter Network, Hawaii  
6 Educational Policy Center, the Department of Accounting and  
7 General Services, and other stakeholder agencies are requested  
8 to provide other information and assistance as requested by the  
9 Department of Budget and Finance; and  
10

11 BE IT FURTHER RESOLVED that the Department of Budget and  
12 Finance is requested to submit a report of its findings and  
13 recommendations, including any proposed legislation, to the  
14 Legislature no later than twenty days prior to the convening of  
15 the Regular Session of 2019; and  
16

17 BE IT FURTHER RESOLVED that certified copies of this  
18 Concurrent Resolution be transmitted to the Director of Finance,  
19 Comptroller, Chairperson of the Board of Education,  
20 Superintendent of Education, Chairperson of the State Public  
21 Charter School Commission, Executive Director of the State  
22 Public Charter School Commission, Executive Director of the  
23 Hawaii Public Charter School Network, and Director of the Hawaii  
24 Educational Policy Center.  
25  
26  
27

OFFERED BY: \_\_\_\_\_



MAR - 6 2017

