
A BILL FOR AN ACT

RELATING TO EDUCATION FUNDING.

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

1 SECTION 1. Article X, section 1, of the Hawaii State
2 Constitution requires the State to provide a system of public
3 education. Unlike all of the other states, in Hawaii, the
4 State, rather than a county or other local jurisdiction, is
5 responsible for providing public education. As a result,
6 funding for public education in Hawaii comes primarily from the
7 general fund of the State.

8 Adequate funding is crucial to providing each of Hawaii's
9 children with the opportunity for a high-quality education.
10 However, some studies have found that education funding in
11 Hawaii may lag in comparison to districts on the mainland of
12 similar size and cost of living. According to an analysis of
13 real property taxes in Hawaii performed by the department of
14 business, economic development, and tourism in 2017, for
15 instance, Hawaii's education expenditures, as a share of
16 combined state and local government expenditures, is 27.3 per
17 cent and ranks as the lowest in the nation.



1 Underfunding public schools undermines the State's goal of
2 providing a high-quality education to all of Hawaii's children.
3 Insufficient funding for education results in larger class
4 sizes, a lack of adequate classroom supplies, elimination of
5 arts and career-and-technical education courses, budget cuts for
6 special education and English-language-learner programs, and an
7 increasing number of vacant teacher positions. To prepare
8 Hawaii's children to meet the economic and social demands of the
9 twenty-first century, it is crucial to understand the amount of
10 funding necessary to support student learning.

11 The purpose of this Act is to require the department of
12 education to contract with a consulting firm that specializes in
13 school finance, particularly with respect to adequacy studies of
14 public education systems in multiple states, to perform a study
15 on the adequacy of funding for education in Hawaii.

16 SECTION 2. (a) The department of education shall contract
17 with a consulting firm that specializes in school finance,
18 particularly with respect to adequacy studies of public
19 education systems in multiple states, to perform a study on the
20 adequacy of funding for education in Hawaii. The study shall:



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- 1 (1) Employ multiple methods to evaluate school financing,
2 which shall include the evidence-based method but may
3 also include the professional judgement method, the
4 successful schools method, the cost function method,
5 comparable wage analysis, and hedonic wage analysis;
- 6 (2) Identify variables most closely associated with a
7 high-quality education and estimate the amount of
8 additional funding needed to provide all public school
9 students with an equal educational opportunity;
- 10 (3) Compare Hawaii teacher salaries with teacher salaries
11 in districts on the mainland of similar size and cost
12 of living to determine compensation characteristics
13 that affect the department of education's ability to
14 recruit and retain qualified teachers;
- 15 (4) Evaluate the impact of school funding on student
16 achievement, special-education programs, the
17 availability of arts-and-culture curricula, access to
18 public preschool and afterschool programs, the
19 provision of wraparound care and student support
20 systems, and any other issue related to the operation
21 of Hawaii's public school system;



- 1 (5) Assess the equity of funding between schools
- 2 throughout the Hawaii public school system; and
- 3 (6) Review school financing studies performed in other
- 4 states, including "Using the Evidence-Based Method to
- 5 Identify Adequate Spending Levels for Vermont Schools"
- 6 (2016) by Picus Odden & Associates and "Washington
- 7 Adequacy Funding Study" (2007) by the Educational
- 8 Policy Improvement Center.

9 (b) The department shall report the findings and
10 recommendations of the study, including any proposed
11 legislation, to the legislature no later than twenty days prior
12 to the convening of the regular session of 2020.

13 SECTION 3. There is appropriated out of the general
14 revenues of the State of Hawaii the sum of \$100,000 or so much
15 thereof as may be necessary for fiscal year 2019-2020 to
16 contract with a consulting firm that specializes in school
17 finance, particularly with respect to adequacy studies of public
18 education systems in multiple states, to perform a study on the
19 adequacy of funding for education in Hawaii.

20 The sum appropriated shall be expended by the department of
21 education for the purposes of this Act.



1 SECTION 4. This Act shall take effect on July 1, 2019.

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INTRODUCED BY:

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Report Title:

Education Funding in Hawaii; Study

Description:

Requires the Department of Education to contract with a consulting firm that specializes in school finance, particularly with respect to adequacy studies of public education systems in multiple states, to perform a study on the adequacy of funding for education in Hawaii. Appropriates funds.

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