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# A BILL FOR AN ACT

RELATING TO EDUCATION.

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

1           SECTION 1. Section 302A-706, Hawaii Revised Statutes, is  
2 amended by amending its title and subsection (a) to read as  
3 follows:

4           "§302A-706 [~~Teacher national board~~] National certification  
5 incentive program. (a) There is established within the  
6 department the [~~teacher~~] national [~~board~~] certification  
7 incentive program to recognize and support exemplary [~~teaching~~]  
8 educational practice by supporting public school teachers and  
9 school psychologists who have achieved national [~~board~~]  
10 certification under the certification program of the National  
11 Board for Professional Teaching Standards [~~-~~] or the National  
12 Association of School Psychologists. The [~~teacher~~] national  
13 [~~board~~] certification incentive program shall provide:

14           (1) A \$5,000 bonus per year for each public school teacher  
15           or school psychologist who maintains current national  
16           [~~board~~] certification;



- 1 (2) Up to \$1,500, depending on the certification fee  
2 structure, upon completing all components of the  
3 certification program of the National Board for  
4 Professional Teaching Standards[+] or National  
5 Association of School Psychologists;
- 6 (3) A reimbursement of the remainder of the national  
7 [board] certification application fee upon achievement  
8 of national [board] certification; [and]
- 9 (4) An additional \$5,000 bonus per year for each public  
10 school teacher or school psychologist who maintains  
11 current national [board] certification and who  
12 [teaches] is employed by the department and provides  
13 school psychology services to children at:
- 14 (A) A school [~~in a focus, priority, or~~  
15 ~~superintendent's zone, or other similar~~  
16 ~~designation, as determined]~~ that has been  
17 identified for comprehensive or targeted support  
18 and improvement by the department; provided that  
19 all teachers receiving the bonus under this  
20 subparagraph during the 2018-2019 school year



1                   shall remain eligible for the bonus subject to  
2                   the limitations imposed under paragraph (5);  
3           (B) A school with a high turnover rate, as determined  
4                   by the department; or  
5           (C) A hard-to-fill school, as determined by the  
6                   department [-]; and  
7           (5) An additional \$5,000 bonus per year for any teacher or  
8                   school psychologist employed at a public school who  
9                   received a yearly bonus pursuant to paragraph (4);  
10                   provided that the teacher or school psychologist  
11                   maintains national certification and continues working  
12                   in the same school after the school transitions from  
13                   the qualifying designation pursuant to paragraph (4);  
14                   provided further that the teacher or school  
15                   psychologist shall receive the additional bonus from  
16                   the time the school no longer meets any of the  
17                   criteria under paragraph (4) until the end date of the  
18                   teacher's or school psychologist's national  
19                   certification that was in effect at the time the  
20                   school lost its designation, or until the teacher or



1           school psychologist is no longer employed at the  
2           school, whichever occurs first."

3           SECTION 2. Section 302D-28, Hawaii Revised Statutes, is  
4 amended to read as follows:

5           "§302D-28 **Funding and finance.** (a) Beginning with fiscal  
6 year 2012-2013, and each fiscal year thereafter, the non-  
7 facility general fund per-pupil funding request for charter  
8 school students shall be the same as the general fund per-pupil  
9 amount to the department in the most recently approved executive  
10 budget recommendation for the department and shall be based upon  
11 reasonable projected enrollment figures for all charter schools.  
12 The general fund per-pupil request for each regular education  
13 and special education student shall:

14           (1) Include all general fund regular education cost  
15 categories, including comprehensive school support  
16 services, but excluding special education services,  
17 adult education, and the after-school plus program;  
18 provided that these services are provided and funded  
19 by the department; and

20           (2) Exclude [fringe]:  
21           (A) Fringe benefit costs;

1           (B) Costs of teacher incentives, bonuses, and other  
2           compensation beyond regular wages; and [debt]

3           (C) Debt service.

4           (b) Fringe benefit costs for charter school employees,  
5 regardless of the payroll system utilized by a charter school,  
6 shall be included in the department of budget and finance's  
7 annual budget request. No fringe benefit costs shall be charged  
8 directly to or deducted from the charter school per-pupil  
9 allocations.

10           The legislature shall make an appropriation based upon the  
11 budget request; provided that the legislature may make  
12 additional appropriations for facility and other costs.

13           The governor, pursuant to chapter 37, may impose  
14 restrictions or reductions on charter school appropriations  
15 similar to those imposed on department schools.

16           (c) Notwithstanding any law to the contrary, to ensure  
17 non-facility per-pupil general fund amounts allocated for the  
18 department and charter school students are equal on an  
19 annualized fiscal year basis, each year the director of finance  
20 shall:



- 1 (1) Determine the sum of general fund appropriations made  
2 for department and charter school student non-facility  
3 costs described in subsections (a) and (b);
- 4 (2) Determine the sum of department and charter school  
5 student enrollment based on reviewed and verified  
6 student enrollment counts as of October 15;
- 7 (3) Determine a per-pupil amount by dividing the sum of  
8 general fund appropriations determined under paragraph  
9 (1) by the sum of student enrollment determined under  
10 paragraph (2);
- 11 (4) Transfer a general fund amount between the department  
12 and charter schools that will provide each with a per-  
13 pupil allocation equal to the amount determined on an  
14 annualized fiscal year basis under paragraph (3); and
- 15 (5) Annually account for all calculations and transfers  
16 made pursuant to this subsection in a report to the  
17 legislature, governor, department, and charter  
18 schools.

19 This subsection shall not limit the ability of the director of  
20 finance to modify or amend any allotment pursuant to chapter 37.



1 (d) Charter schools shall be eligible for all federal  
2 financial support to the same extent as department schools. The  
3 department shall provide all authorizers with all state-level  
4 federal grant proposals submitted by the department that include  
5 charter schools as potential recipients and timely reports on  
6 state-level federal grants received for which charter schools  
7 may apply or are entitled to receive. Federal funds received by  
8 the department for charter schools shall be transferred to  
9 authorizers for distribution to the charter schools they  
10 authorize in accordance with the federal requirements. If  
11 administrative services related to federal grants are provided  
12 to the charter school by the department, the charter school  
13 shall reimburse the department for the actual costs of the  
14 administrative services in an amount that shall not exceed six  
15 per cent of the charter school's federal grants.

16 Any charter school shall be eligible to receive any  
17 supplemental federal grant or award for which any department  
18 school may submit a proposal, or any supplemental federal grants  
19 limited to charter schools; provided that if department  
20 administrative services, including funds management, budgetary,  
21 fiscal accounting, or other related services, are provided with



1 respect to these supplemental grants, the charter school shall  
2 reimburse the department for the actual costs of the  
3 administrative services in an amount that shall not exceed six  
4 per cent of the supplemental grant for which the services are  
5 used.

6 All additional funds generated by the governing boards,  
7 that are not from a supplemental grant, shall be held separate  
8 from allotted funds and may be expended at the discretion of the  
9 governing boards.

10 (e) Authorizers shall calculate a general fund per-pupil  
11 amount based upon the amount of general funds appropriated by  
12 the legislature and released by the governor and the projected  
13 enrollment amount used to calculate the general funds  
14 appropriated pursuant to subsection (a).

15 Authorizers shall submit a report to the legislature no  
16 later than twenty days prior to the convening of each regular  
17 session that contains each charter school's current school year  
18 projection that is used to submit the budget request, the  
19 updated May 15 enrollment projection, the actual October 15  
20 enrollment count, the authorizer's reviewed and verified  
21 enrollment count, and the November 15 enrollment count.





1 (f) To enable charter schools to access state funding  
2 prior to the start of each school year, foster their fiscal  
3 planning, enhance their accountability, and avoid over-  
4 allocating general funds to charter schools based on self-  
5 reported enrollment projections, authorizers shall:

6 (1) Provide sixty per cent of a charter school's per-pupil  
7 allocation based on the charter school's projected  
8 student enrollment no later than July 20 of each  
9 fiscal year; provided that the charter school shall  
10 have submitted to its authorizer a projected student  
11 enrollment no later than May 15 of each year;

12 (2) Provide an additional thirty per cent of a charter  
13 school's per-pupil allocation no later than December 1  
14 of each year, based on the October 15 student  
15 enrollment, as reviewed and verified by the  
16 authorizer, only to schools in compliance with all  
17 financial reporting requirements; and

18 (3) Retain no more than the balance of the remaining ten  
19 per cent of a charter school's per-pupil allocation,  
20 as a contingency balance to ensure fiscal



1           accountability and compliance, no later than June 30  
2           of each year;  
3 provided that authorizers may make adjustments in allocations  
4 based on noncompliance with charter contracts and the board may  
5 make adjustments in allocations based on noncompliance with  
6 board policies made in the board's capacity as the state  
7 education agency, department directives made in the department's  
8 capacity as the state education agency, the board's  
9 administrative procedures, and board-approved accountability  
10 requirements.

11           (g) The department shall provide appropriate transitional  
12 resources to a conversion charter school for its first year of  
13 operation as a charter school based upon the department's  
14 allocation to the school for the year prior to the conversion.

15           (h) No charter school may assess tuition; provided that a  
16 charter school may assess and collect special fees and charges  
17 from students for co-curricular activities. Any special fees  
18 and charges collected pursuant to this subsection shall be  
19 deposited into insured checking or savings accounts and expended  
20 by each individual charter school.



1        (i) Funds necessary to pay for teacher incentive programs,  
2 bonuses, and other compensation required by any law or  
3 collective bargaining agreement beyond regular wages shall not  
4 be paid out of a charter school's facilities funding or per-  
5 pupil funds. Beginning with fiscal year 2019-2020, and each  
6 fiscal year thereafter, the funding request for teacher  
7 incentive programs, bonuses, and other compensation required by  
8 law or collective bargaining beyond regular wages for each  
9 charter school shall be a separate line item in the general  
10 appropriations act and supplemental appropriations act."

11        SECTION 3. There is appropriated out of the general  
12 revenues of the State of Hawaii the sum of \$                    or so much  
13 thereof as may be necessary for fiscal year 2019-2020 and the  
14 same sum or so much thereof as may be necessary for fiscal year  
15 2020-2021 to pay for the following bonuses for public school  
16 teachers and school psychologists:

- 17        (1) Collectively bargained placement bonuses in schools
- 18                determined as hard-to-fill by the department of
- 19                education; and



1           (2) National certification incentive program bonuses as  
2           outlined pursuant to section 302A-706, Hawaii Revised  
3           Statutes.

4           The sums appropriated shall be expended by the department  
5 of education for the purposes of this Act.

6           SECTION 4. There is appropriated out of the general  
7 revenues of the State of Hawaii the sum of \$           or so much  
8 thereof as may be necessary for fiscal year 2019-2020 and the  
9 same sum or so much thereof as may be necessary for fiscal year  
10 2020-2021 to pay for the following bonuses for public charter  
11 school teachers and school psychologists:

12           (1) Collectively bargained placement bonuses in schools  
13           determined as hard-to-fill by the department of  
14           education; and

15           (2) National certification incentive program bonuses as  
16           outlined pursuant to section 302A-706, Hawaii Revised  
17           Statutes.

18           The sums appropriated shall be expended by the state public  
19 charter school commission for the purposes of this Act.



1 SECTION 5. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3 SECTION 6. This Act shall take effect on July 1, 2052.



**Report Title:**

Department of Education; State Public Charter School Commission;  
Education; National Certification Incentive Program and Funding;  
Teachers; School Psychologists; Appropriation

**Description:**

Renames the teacher national board certification incentive program the national certification incentive program. Expands program eligibility to include school psychologists. Clarifies requirements and incentives of the program. Clarifies that teacher incentives, bonuses, and compensation beyond regular wages are excluded from the per-pupil request and included as separate line items in the budget for public charter schools. Appropriates funds. (SB983 HD1)

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