



## HAWAII

### Description of the Formula

Hawaii is the only state with a single, statewide school district. The system of state financing for public education is also different from any other state. Property taxes do not fund public education; property tax revenues support city and county governmental services.

In addition, the appointed elected State Board of Education has no independent taxing authority to pay for either operations or capital improvements for the public school system. State funding for the public school system is determined by the state legislature on a biannual budget basis, and is actually disbursed by the Governor.

State support for the operation of public schools comes from the general fund, which is the repository for all non-earmarked taxes. The major taxing sources for state governmental services are: general excise tax; personal income tax; corporate income tax; and other special taxes, such as inheritance, liquor, use taxes, and license fees. (Property taxes provide funding for city and county governmental services).

#### *Weighted Student Formula*

As a result of landmark legislation in 2004, the State Board of Education adopted a new weighted student formula, effective with the 2006-07 school year, to allocate a large portion of state funding to public schools within the statewide school district based on student needs. The formula consists of a specific dollar amount per student as a base amount for each student enrolled, coupled with additional funding for students with special needs that impact their learning.

Student characteristics that are weighted include economically disadvantaged; English Language Learners; gifted and talented; and transience due to movements of students and their families. Another factor is a middle school grade-level adjustment for a weighted equivalent of \$150 per student was implemented. A Committee on Weights meets biennially to review the formula and possibly recommend changes to the Board of Education. Please refer to the Hawaii public school website, at <http://www.hawaiipublicschools.org/VisionForSuccess/SchoolDataAndReports/StateReports/Pages/Weighted-Student-Formula.aspx>

## District-Based Components

### Foundation Funding

Effective 2012-2013 school year, the Board of Education adopted a foundation funding to provide all schools with a set amount of funds to address basic operating expenses. This will help small schools, in particular, that might otherwise need to commit a larger percentage of their annual WSF allocation to meet basic operating expenses:

School Type	Foundation Amounts
Elementary	\$200,000
Elementary Multi-track	\$280,000
Middle	\$347,000
Middle Multi-track	\$427,000
High	\$354,000
K-8 or K-9 Combination	\$403,000
6-12 Combination	\$410,000
K-12 Combination	\$465,000

### Declining Enrollment or Growth

Within the Hawaii statewide school district, as part of the new weighted student formula, funding adjustments are made school-by-school based on enrollment changes, at four times during the planning and allocation process, as follows:

1. Annual academic and financial plans are developed by each school based on projected student enrollments. Weighted student formula funding is then provided to all public schools in early July at the start of the fiscal/school year. This excludes public charter schools, which receive separate state appropriations.
2. In August, weighted student formula funding is adjusted up or down based on an official student enrollment count taken 10 days after school starts in July.
3. In September, another enrollment count is taken, and weighted student formula funding is adjusted upward only for those schools experiencing increased student enrollment, at 75% of the updated weighted student formula calculation. Funding is not decreased for schools experiencing enrollment decreases at that time, to minimize disruption of school staffing and other budget issues during the year.
4. In January, a mid-year enrollment count is taken, and weighted student formula funding is adjusted upward again only for those schools experiencing increased student enrollment, at 50% of the updated weighted student formula calculation. Funding is not decreased for

schools experiencing enrollment decreases at that time, to minimize disruption of school staffing and other budget issues during the year.

### **Capital Outlay and/or Debt Service**

The State Legislature appropriates funds for public school system capital improvements. The appropriation varies depending on annual decisions; however, the major components are:

- New school construction projects
- Construction of new classrooms or other facilities on existing campuses
- Major repairs and maintenance, such as roofing, remodeling, etc.
- Whole school renovations, prioritized based on age of the campuses
- Compliance with the Americans with Disabilities Act (ADA requirements and other health and safety regulations, including noise/heat abatement).
- Electrical upgrades

As part of landmark legislation in 2004, several school construction and repairs/maintenance functions were transferred from another state agency to the public school system. As a result of the successful implementation of this transfer, the public school system achieved significant improvements in service levels, response time and efficiencies in providing services to schools.

### **Transportation**

Funds for the student transportation program are appropriated by the State Legislature to the public school system. In 2000, the student transportation program was transferred to the public school system from another state agency.

### **Charter Schools**

No response

## **Student-Based Components**

### **Special Education**

State funding for special education increased dramatically between FY 2000 and FY 2008, primarily due to a federal court decree. Hawaii's public school system also receives Federal funding for special education as part of the Individuals with Disabilities Education Improvement Act of 2004 (IDEA).

State funded resources, including special education teacher positions, are allocated to the districts based on a district's special education student enrollment percentage of the state's total special education enrollment. Started in school year 2010-11, this proportional staffing methodology places decision making at the district-level.

### **Low Income / Comp Ed / At-Risk**

Over 59% of Hawaii public school students require more educational resources, including at least 39% economically disadvantaged; 3% with English language difficulties; 5% special

education; and 14% with multiple special needs.

Within the Hawaii statewide school district, the weighted student formula allocates state funding to schools for economically disadvantaged students, based on the Federal free and reduced lunch classifications, that are similarly used for Federal Title I grants. The economically disadvantaged weight is 0.10 per student at this time.

### **English Language Learner/Bilingual Education**

Within the Hawaii statewide school district, state funding for the English Language Learners (ELL) program is included as part of the weighted student formula, and is allocated to schools that have those populations of students, based on weights that vary with the level of English proficiency.

### **Gifted and Talented Education**

With the implementation of the weighted student formula effective beginning fiscal/school year 2006-07, the categorical program for gifted and talented education was folded into the amounts subject to weights. The 2010 Committee on Weights recommended, and the Board of Education approved, the additional of a weight for gifted and talented (G/T students, effective school year 2011-12. Since identification of G/T students is still largely subjective, the Committee on Weight's recommended that an estimate of 3% of a school's total population be used to determine the number of potentially G/T students at any given school. This equates to a weight of 0.0265 at this time.

### **Other**

*Weighted student formula:*

Within the Hawaii statewide school district's weighted student formula for state funding, transiency is weighted at 0.050 per transient student, in recognition of the fact that the degree and frequency of movements of families and students in and out of schools creates educational needs for those students.

Since Hawaii is a state consisting of seven major islands, a fixed dollar amount of \$50,000 for schools defined as "geographically isolated" is also applied.

*Categorical funding:*

The State Legislature appropriates categorical state funding for other instructional programs such as:

- Vocational education
- Athletics
- Alternative education programs for "at-risk" students
- Hawaiian language studies
- Preschool Education

These categorical appropriations are restricted and cannot be used for other purposes.

## **Revenue and Expenditure Information**

**State Mandates Restricting Revenue or Expenditure Increases**

A constitutional amendment limits state spending to growth in personal income.

**Property Assessment Ratios Used/Legal Standards For Property Assessment**

Does not apply. Property taxes are not used to fund the state public school system, or any state governmental services. Property taxes provide funding for city and county governmental services.

**Measure of Local Ability To Support Schools**

Does not apply. There are no “local” revenues, only state revenues that support the public school system.

**School District Budget and Tax Rate Procedures/Sources of Local Revenue**

Does not apply. There are no “local” revenues, only state revenues that support the public school system.

State support for the operation of public schools comes from the general fund, which is the repository for all non-earmarked taxes (other than property taxes). The major taxing sources for state governmental services are: general excise tax; personal income tax; corporate income tax; and other special taxes, such as inheritance, liquor, use taxes, and license fees. (Property taxes provide funding for city and county governmental services).

**State Support for Nonpublic Schools**

Does not apply.