



OHA-2

Reviewing the Per-Pupil Funding System for Public Charter Schools

This measure seeks to better ensure that public charter schools and students receive their fair share of state education funds, by requiring the Legislative Reference Bureau to conduct a study on whether the public charter school per-pupil funding system actually provides equal operational per-pupil funding to public charter schools, as required by law.

Hawai'i's charter schools are intended to cut red tape, provide choices, and be risk takers for innovation in education. Very significantly, our charter school laws have provided Hawaiian cultural and language education leaders the opportunity to design and operate schools more responsive and attuned to the needs of Hawaiian families. Today, 34 public charter schools operate in the state; of these, 17 are Hawaiian culture-based or Hawaiian language immersion schools.

Our public charter schools, including our Hawaiian culture-based and language immersion schools, have demonstrated their potential to significantly advance the state's educational standards. This includes high rankings in a number of the latest Strive HI SY 2015-2016 performance measures, including in their students' American College Testing (ACT) scores, graduation rates, and college matriculation. However, long-standing concerns suggest that the realization of their full potential may be inhibited by systemic funding inequities and challenges.

To fully realize the potential for innovation and greater student success in our public school system, adequate resources must be provided for Hawai'i public charter schools. However, charter schools will receive \$6,846 per-student this school year, the lowest rate in the nation, compared to the \$11,823 per-student allocation the State Department of Education (DOE) reported for DOE schools in 2015. Moreover, this per-student difference does not include facilities, another area that public charter schools must fund on their own, unlike DOE schools.

WHY A STUDY?

A study will provide the Legislature with critical information on whether per-pupil funding parity exists between public charter school students and DOE students, and is a necessary first-step in determining whether additional funding should be provided to support public charter schools.

Further, a study is consistent with the recently approved State Board of Education (BOE) updated State Education Strategic Plan 2017-2020, which recognizes the need to maximize allocation of resources to advance equity and excellence, including through a review of charter schools' per-pupil funding.