



**STATE OF HAWAII
BOARD OF EDUCATION**

P.O. BOX 2360
HONOLULU, HAWAII 96804

October 28, 2009

MEMO TO: The Honorable Garrett Toguchi, Chairperson
Board of Education

A handwritten signature in black ink, appearing to read "Janis Akuna".

FROM: Janis Akuna, Chairperson
Committee on Budget and Fiscal Accountability

SUBJECT: **RECOMMENDATION FOR BOARD ACTION ON THE COMMITTEE ON
WEIGHTS' PROPOSED CHANGES IN THE WEIGHTED STUDENT
FORMULA FOR SCHOOL YEAR 2010-11**

1. RECOMMENDATION

It is recommended that the Board of Education (Board) approve the Committee on Weights' (COW) proposed changes in the Weighted Student Formula (WSF) for School Year (SY) 2010-11 as specified in the Attachments.

2. RECOMMENDED EFFECTIVE DATE

The recommended effective date is for SY 2010-11 but distributed upon adoption for planning purposes.

3. RECOMMENDED COMPLIANCE DATE

July 1, 2010.

4. DISCUSSION

a. Conditions leading to the recommendation

Hawaii Revised Statutes (HRS) 302A-1303.5 requires the Department of Education (Department) to establish a COW at least annually for the purpose of reviewing the WSF and, if the Committee deems it necessary, to recommend a new WSF for adoption by the Board. This Committee, upon

the review of current year budget and allocation information made available by the Department and after discussion on the perceived merits and demerits of the existing formula, deems it not necessary to recommend changes to the current Board adopted WSF.

The WSF review for possible recommendations to the WSF for SY 2010-11 was conducted amidst the backdrop of the current fiscal crisis in which the State of Hawaii is facing an unprecedented decline in revenues that is currently projected to last over the next 18 months. The Hawaii State Legislature and Governor have required drastic reductions and imposed severe budgetary restrictions on the Department, and the potential for further budget reductions is very real.

b. Previous action of the Board on the same or similar matter

In 2007, the Board adopted the following recommendations from the COW:

- implementing a "sliding scale",
- limiting a school loss in funding to 4% of the previous year budget,
- adding a "neighbor island" weighted student characteristic, and
- providing three (3) different weights for English Language Learners (ELL) based on their tested level of English proficiency.

These changes are effectuated in the projected SY 2008-09 school budgets.

After reviewing the SY 2007-08 allocations for 89 categorical programs, the COW in SY 2008-09 identified funding, that if placed in the WSF, would provide greater flexibility or more equitably distribute funds to school communities for SY 2009-10. The funds totaling approximately \$23M were distributed to school communities to fund supports and services to assist students in achieving the appropriate level of the Hawaii Content and Performance Standards III.

The COW has also recognized that the current application of the "sliding scale" (also known as the school size adjustment) and the limiting of a school's loss in funding to 4% of the previous year budget, while assisting schools with lower or decreasing enrollments unduly burdens schools with average and larger enrollments.

c. Other policies affected

None.

d. Arguments in support of the recommendation

The recommendation will enable the Department to issue financial plan templates to all schools in a timely manner so that they may begin the planning process with their school community councils (SCCs) to develop their SY 2010-11 academic and financial plans. It is important that schools be afforded adequate time to complete their financial plans and that the plans be reviewed and approved by complex area superintendents in advance of the March 1, 2010 first posting for the teacher assignment and transfer period.

Maintaining the same WSF for a second year will provide schools with a greater degree of consistency and predictability than would be the case if modifications were made.

e. Arguments against the recommendation

Some may argue that school communities cannot be trusted or should not be placed in the position to determine whether or not specific programs or activities will be maintained via WSF funds. Others will likely express concern that schools with lower enrollments cannot provide an adequate or equal educational experience for students with the level of funding provided through the reduced "sliding scale" thresholds and the limited funding to support the 4% loss limit of the previous year budget.

f. Findings and conclusions of the Board Committee

On October 28, 2009, the Committee on Budget and Fiscal Accountability recommended to the full Board, approval of the COW's proposed WSF for SY 2010-11.

g. Other agencies or departments of the State involved in the action

None.

h. Possible reaction of the public, professional organizations, unions, Department staff and/or others to the recommendation

The possible reaction may range from positive to mixed and aligned to the enrollment size of the school community.

i. Educational implications

The COW does not believe that the amount of funds in WSF represents an adequate per student base funding to support all students to achieve the Hawaii Content and Performance Standards III.

The COW believes that the proposed recommendations represent a reasonable method to distribute available resources that will enable all school communities with the funds to support increased student achievement.

j. Personnel implications

None.

k. Facilities implications

None.

l. Financial implications

None.

5. **OTHER SUPPLEMENTAL RECOMMENDATIONS**

None.

Attachments

Details of WSF TENTATIVE Allocation Calculation
based on FY2010-11 Preliminary Appropriation
for calculation of tentative allocations for Financial Plans

	<u>Total</u> <u>PROJECTED</u> <u>Enrollment</u> ¹	<u>Weighting</u> <u>Factor</u>	<u>Weighted</u> <u>PROJECTED</u> <u>Enrollment</u>	<u>\$ per Student</u>	<u>TOTAL</u> <u>ALLOCATION</u>	
1	Pre-K	1,392	1.0000	1,392.00	\$ 3,504.69	\$ 4,878,528
2	Jr. K - 2	44,074	1.0000	44,074.00	\$ 3,504.69	\$ 154,465,683
3	Other Elem	45,292	1.0000	45,292.00	\$ 3,504.69	\$ 158,734,395
4	Middle	31,350	1.0000	31,350.00	\$ 3,504.69	\$ 109,872,014
5	High	50,698	1.0000	50,698.00	\$ 3,504.69	\$ 177,680,746
6	Subtotal	172,806		172,806.00		\$ 605,631,365
¹ Total Enrollment includes General Education, Special Education and Pre-K students, at a rate of 1.00 per student.						
Student Characteristics						
7	K-2 Class Size	44,074	0.1500	6,611.10	\$ 525.70	\$ 23,169,702
8	English Language Learners (Aggregate)	14,974				\$ 13,197,863
9	Fully English Proficient (FEP)	469	0.0633	29.68	\$ 221.76	\$ 104,004
10	Limited English Proficiency (LEP)	9,328	0.1898	1,770.67	\$ 665.27	\$ 6,205,646
11	Non-English Proficient (NEP)	5,177	0.3796	1,965.43	\$ 1,330.54	\$ 6,888,213
	<i>Appropriation</i>		<i>0.2515</i>			\$ 13,197,863
12	Economically Disadvantaged	75,924	0.1000	7,592.39	\$ 350.47	\$ 26,609,054
13	Transiency	14,079	0.0500	703.96	\$ 175.23	\$ 2,467,115
14	Subtotal			18,673.23		\$ 65,443,734
School Characteristics						
15	Grade Level Adjustment					
16	Elem	89,366	0.0347	3,096.92	\$ 121.45	\$ 10,853,501
17	Middle	31,350	0.1004	3,146.00	\$ 351.70	\$ 11,025,795
18	High	50,698	0.0240	1,215.13	\$ 84.00	\$ 4,258,632
19	Multi-Track	5,774	0.0050	28.87	\$ 17.52	\$ 101,160
20	Neighbor Island	53,374	0.0050	266.87	\$ 17.52	\$ 935,112
21	Neighbor Island - Secondary	27,406	0.0010	27.31	\$ 3.49	\$ 95,647
22	Geographic Isolation	1,769	0.0050	8.85	\$ 17.52	\$ 30,993
23	Subtotal			7,789.95		\$ 27,300,840
		172,806		199,269.18		\$ 698,376,584
Non-Weighted School Characteristics						
Multi-Track School						
24	Add'l funding for Admin (per school)		4	\$ 97,804.00		\$ 391,216
25	School Size - Sliding Scale					\$ 22,100,254
		Enrollment Range	Formula (weight/student)			
26	Elem	0 - 500	-0.0010 X + 0.5			\$ 12,592,966
27	Middle	0 - 600	-0.0010 X + 0.6			\$ 1,947,430
28	High	0 - 1,000	-0.0006 X + 0.6			\$ 2,383,215
29	Combination Schools					-
30	K-12	0 - 1,000	-0.0006 X + 0.6			\$ 2,649,339
31	K-8	0 - 600	-0.0010 X + 0.6			\$ 1,096,106
32	6-12	0 - 1,000	-0.0006 X + 0.6			\$ 1,431,198
33	Loss Threshold ²	2.25%	<i>maximum adj allowed:</i>	\$ 11,053,828		\$ 11,053,831
34	Subtotal					\$ 33,545,301
² Loss Threshold set to ensure that no school will lose more than the threshold % from one year to the next. Adjustment = difference between minimum level of funding less calculated alloc, but not less than zero. Total adjustments for loss threshold cannot exceed 1.5% of total WSF appropriation.						
35	TOTAL WSF FUNDS AVAILABLE FOR TENTATIVE ENROLLMENT ALLOCATION					\$ 731,921,885

Details of WSF OFFICAL ENROLLMENT Allocation Calculation
based on FY2009-10 FINAL Appropriation
for calculation of allocation adjustments for Official Enrollment Count

	<u>Total</u> <u>PROJECTED</u> <u>Enrollment</u> ¹	<u>Weighting</u> <u>Factor</u>	<u>Weighted</u> <u>PROJECTED</u> <u>Enrollment</u>	<u>\$ per Student</u>	<u>TOTAL</u> <u>ALLOCATION</u>	
1	Pre-K	1,491	1.0000	1,491.00	\$ 4,810.37	\$ 7,172,256
2	Jr. K - 2	42,864	1.0000	42,864.00	\$ 4,810.37	\$ 206,191,542
3	Other Elem	45,073	1.0000	45,073.00	\$ 4,810.37	\$ 216,817,641
4	Middle	31,509	1.0000	31,509.00	\$ 4,810.37	\$ 151,569,832
5	High	51,167	1.0000	51,167.00	\$ 4,810.37	\$ 246,132,013
6	Subtotal	172,104		172,104.00		\$ 827,883,284
¹ Total Enrollment includes General Education, Special Education and Pre-K students, at a rate of 1.00 per student.						
Student Characteristics						
7	K-2 Class Size	42,864	0.1500	6,429.60	\$ 721.55	\$ 30,928,519
8	English Language Learners (Aggregate)	14,964				\$ 16,646,002
9	Fully English Proficient (FEP)	469	0.0582	27.29	\$ 279.86	\$ 131,256
10	Limited English Proficiency (LEP)	9,320	0.1745	1,626.69	\$ 839.59	\$ 7,824,984
11	Non-English Proficient (NEP)	5,175	0.3491	1,806.47	\$ 1,679.18	\$ 8,689,762
	<i>Appropriation</i>		<i>0.2313</i>			\$ 16,646,002
12	Economically Disadvantaged	75,938	0.1000	7,593.81	\$ 481.04	\$ 36,529,260
13	Transiency	14,003	0.0500	700.17	\$ 240.52	\$ 3,368,109
14	Subtotal			18,184.03		\$ 87,471,890
School Characteristics						
15	Grade Level Adjustment					
16	Elem	87,937	0.0347	3,047.40	\$ 166.70	\$ 14,659,098
17	Middle	31,509	0.1004	3,161.96	\$ 482.73	\$ 15,210,340
18	High	51,167	0.0240	1,226.37	\$ 115.29	\$ 5,899,043
19	Multi-Track	5,750	0.0050	28.75	\$ 24.05	\$ 138,288
20	Neighbor Island	53,706	0.0050	268.53	\$ 24.05	\$ 1,291,629
21	Neighbor Island - Secondary	27,604	0.0010	27.51	\$ 4.79	\$ 132,223
22	Geographic Isolation	1,803	0.0050	9.02	\$ 24.05	\$ 43,362
23	Subtotal			7,769.53		\$ 37,373,983
		172,104		198,057.56		\$ 952,729,401
Non-Weighted School Characteristics						
Multi-Track School						
24	Add'l funding for Admin (per school)		4	\$ 137,570.50		\$ 550,282
25	School Size - Sliding Scale					\$ 30,122,037
		Enrollment Range		Formula (weight/student)		
26	Elem	0	500	-0.0010 X + 0.5		\$ 17,274,593
27	Middle	0	600	-0.0010 X + 0.6		\$ 2,593,418
28	High	0	1,000	-0.0006 X + 0.6		\$ 3,261,705
29	Combination Schools					-
30	K-12	0	1,000	-0.0006 X + 0.6		\$ 3,642,516
31	K-8	0	600	-0.0010 X + 0.6		\$ 1,477,947
32	6-12	0	1,000	-0.0006 X + 0.6		\$ 1,871,858
33	Loss Threshold ²	6.82%		<i>maximum adj allowed:</i>	\$ 15,051,803	\$ 15,051,796
34	Subtotal					\$ 45,724,115
² Loss Threshold set to ensure that no school will lose more than the threshold % from one year to the next. Adjustment = difference between minimum level of funding less calculated alloc, but not less than zero. NEW for FY09-10: Total adjustments for loss threshold cannot exceed 1.5% of total WSF appropriation.						
35	TOTAL WSF FUNDS AVAILABLE FOR TENTATIVE ENROLLMENT ALLOCATION					\$ 998,453,516