LEGISLATIVE REPORT

SUBJECT: Superintendent’s Fund

REFERENCE: HB 500, HD1, SD1, CD1, Section 67, Act 213

ACTION REQUESTED: The Department of Education shall submit a report on the expenditures made pursuant to this section.

DOE REPORT: In August and October 2007 funds were allocated to provide assistance to an elementary school modeling full inclusion and schools experiencing extraordinary financial challenges. The balance of fund will be directed towards providing assistance to elementary schools modeling full inclusion, the January Weighted Student Formula (WSF) enrollment count allocation adjustment, and possibly to schools experiencing financial challenges. See attached “Report on Superintendent’s Fund Fiscal Year 2007-08 Actual and Planned Allocation” for further details.

ANALYSIS OF THE DATA: Of the $100,000 restricted to schools modeling full inclusion, $45,685 has been allocated to Pearl Ridge Elementary, to support the full inclusion to assist in effectively educating special education students in general education classrooms with their regular education peers. Funds are being used to hire five paraprofessional tutors to support special education teachers in the regular education classroom. The balance will be used to support other schools modeling full inclusion once those schools are identified.

Of the $1 million for schools experiencing extraordinary challenges, a total of $471,300 was provided to 13 schools. The allocations were based on evaluation criteria such as: the August WSF allocation, the September WSF allocation adjustments, the decline in the schools’ enrollment, the number of positions reduced at the schools, and the schools’ justification for their requests. This is the second year of implementation of the WSF. The number of requests for assistance has declined this year from last, but the average amount sought per school increased slightly. Last year there were requests for assistance from 39 schools totaling $4.7 million. This year there were requests from 14 schools totaling $1.95 million.

The approximately $.5 million unrestricted balance in the Superintendent’s fund will be used to assist with the cost of the January allocation adjustment, and possibly for schools
experiencing financial challenges. The Department held $3 million back at the August WSF allocation to provide for the September and January allocation adjustments for increased enrollments at schools. A total of $2.75 million was allocated in September based on increases in enrollment. It is likely that the balance of $.25 million from the held-back funds will be inadequate to cover the cost of the January WSF allocation adjustment and the $.5 million unrestricted balance will be needed.

**FINDINGS:** Schools are continuing to adjust to the unpredictable nature of funding that is inherent with a school funding formula based on the actual level of student enrollment and students’ characteristics. The flexibility to address financial challenges that arise as a result of the implementation of the WSF has helped to moderate some of the unpredictability.

**RECOMMENDATIONS:** The Department recommends that the Superintendent continue to have flexibility afforded by the Superintendent’s Fund to help address unforeseen challenges related to the implementation of the WSF.
Elementary School Modeling Full Inclusion:
  Pearl Ridge Elementary: $45,685

Financial Assistance for Schools Experiencing Extraordinary Financial Challenges: $471,300
  Hickam Elementary $20,000
  Iliahi Elementary $10,000
  Kahuku High and Intermediate $25,000
  Kanoelani Elementary $9,300
  Keeaumoku $37,000
  Konawaena High $50,000
  Nanaikapono $10,000
  Nanikuli High and Intermediate School $120,000
  Pauoa Elementary $10,000
  Shafter Elementary $10,000
  Stevenson Middle $140,000
  Waialua High and Intermediate $10,000
  Waialua Elementary $20,000

Balance to be allocated for Elementary Schools Modeling Full Inclusion: $54,315

Balance to be allocated to for the January enrollment count
  WSF allocation adjustment: $528,700