



# Hawaii Report

## A Detailed Look at Hawaii's Funding Policies

## Hawaii



### Funding Basics

#### Formula Type

Hawaii has a primarily student-based formula. It assigns a cost to the education of a student with no special needs or services, called a base amount, and provides increased funding to educate specific categories of students. The categories of students considered in Hawaii's funding policy are students in certain grade levels, English-language learners, students from low-income households, students with disabilities, students identified as gifted, students enrolled in career and technical education (CTE) programs, and students enrolled in schools on neighbor islands.

Hawaii operates as a single, statewide school district. Therefore, all education revenue is collected by the state, and the Hawaii Department of Education distributes state funding directly to each school based on the characteristics of the school and its students.

Supplemental funding for students in certain grade levels, English-language learners, students from low-income households, student identified as gifted, and students enrolled in schools on neighbor islands is generated through the application of multipliers to the base amount. Services for students with disabilities and students enrolled in CTE programs are funded through program-specific allocations.

#### Base Amount

Hawaii has a fixed base funding amount per student. For FY2022, the base amount was \$4,489.26. The state also provides a per-school amount that varies depending on the characteristics of the school.

An average student with no special needs or disadvantages would be funded at the per-student base amount. Schools receive baseline funding from the state that differs depending on grade levels served and whether the school is single-track (operating on a traditional schedule) or multitrack (operating year-round, with students assigned to different tracks on staggered schedules to accommodate growing enrollment). Schools received baseline funding in the following amounts in FY2022: \$307,000 for elementary schools; \$402,000 for multitrack elementary schools; \$461,000 for middle schools; \$556,000 for multitrack middle schools; \$525,000 for K-8 schools; \$472,000 for high schools; \$537,000 for 6-12 schools; and \$750,000 for K-12 schools.

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### Local Revenue

#### Expected Local Share

Hawaii operates as a single, statewide school district; education revenue is collected by the state and distributed directly to schools.

## Property Tax Floors and Ceilings

Hawaii operates as a single, statewide school district. The school district cannot directly levy taxes of any kind. Education revenue is collected by the state and distributed to schools.

## Other Local Taxes for Education

Hawaii operates as a single, statewide school district. The school district may not impose taxes; schools are funded from state revenue.

# Student Characteristics

## Grade Level

Hawaii provides different levels of funding for students in different grade levels. It does so both by applying multipliers to the base per-pupil amount for students in two different grade spans and by providing different amounts of whole-school funding for schools serving different grade levels.

The base amount is multiplied by 1.15 for students in grades K-2 and by 1.033 for students in grades 6-8. The multipliers have been expressed this way for consistency with other states. The funding is actually provided in an amount equal to 0.15 or 0.033 times the per-pupil base amount, distributed in addition to the student's own base amount funding. The multipliers used are fixed at regular intervals by the state's Committee on Weights. The additional funding for grades K-2 is intended to support smaller class sizes. Students in grades 3-5 and 9-12 are funded at the base amount.

The state's per-school allocations also vary depending on the grade levels served. Schools received baseline funding in the following amounts in FY2022: \$307,000 for elementary schools and \$402,000 for multitrack elementary schools; \$461,000 for middle schools and \$556,000 for multitrack middle schools; \$525,000 for K-8 schools; \$472,000 for high schools; \$537,000 for 6-12 schools; and \$750,000 for K-12 schools.

## English-Language Learner

Hawaii provides increased funding for English-language learners. It does so by applying a multiplier to the base per-pupil amount for these students. The multiplier used varies depending on the student's level of English proficiency.

The amount of funding provided for each student depends on the student's level of English proficiency. For students who are classified as "Fully English Proficient," the state applies a multiplier of 1.065 to the base amount; for students classified as having "Limited English Proficiency," the multiplier applied is 1.194; and for students classified as "Non-English Proficient," the multiplier applied is 1.389.

The multipliers have been expressed this way for consistency with other states. The funding is actually provided in an amount equal to 0.065, 0.194, or 0.389 times the per-pupil base amount, distributed in addition to the student's own base amount funding. The multipliers used are fixed at regular intervals by the state's Committee on Weights.

## Poverty

Hawaii provides increased funding for students from low-income households. It does so by applying a multiplier of 1.1 to the base per-pupil amount for these students. Multipliers are also applied to the base amount for students experiencing homelessness and students from migrant families.

Students are eligible for supplemental funding if they qualify for free or reduced-price lunch under the National School Lunch Program. Separate from the multiplier applied for students from low-income households, a multiplier of 1.05 is applied for transient students.

The multipliers have been expressed this way for consistency with other states. The funding is actually provided in an amount equal to 0.1 or 0.05 times the per-pupil base amount, distributed in addition to the student's own base amount funding. The multiplier used is fixed at regular intervals by the state's Committee on Weights.

## Special Education

Hawaii funds special education by incorporating a separate single student weighted formula and block grant funding. It does so by applying a multiplier to a base amount for certain students with disabilities, providing a flat per-school amount, and allowing local education officials to discretionarily allocate additional dollars to schools.

In FY2021, the state provided each school with a base level of \$66,000 to support the provision of special education services. The state also applies a multiplier of 1.1 to a per-pupil amount (\$12,775 in FY2021) for each student with a specific learning disability, speech or language disability, or other health disability. The result of this formula is split between schools and Complex Areas; 90% of the total is allocated directly to schools in proportion to their student counts, and 10% is allocated to schools at the discretion of the Complex Area superintendents, who each oversee two to four high schools and their feeder elementary and middle schools.

The multiplier has been expressed this way for consistency with other states. The funding is actually provided in an amount equal to 0.1 times the per-pupil base amount, distributed in addition to the student's own base amount funding. The multiplier is applied to the base amount beginning only with the fifth eligible student; schools with four or fewer qualifying students do not receive any weighted funding for these students.

## Gifted

Hawaii provides increased funding to schools for gifted and talented students. It does so by applying a multiplier of 1.265 to the base per-pupil amount for a set proportion of students assumed to be gifted and talented.

Hawaii assumes that gifted students make up 3% of the overall population in schools. Hawaii applies this multiplier to the base amount for that proportion of students in order to provide for gifted and talented education. This assumption may be revised by the state's Committee on Weights.

The multiplier has been expressed this way for consistency with other states. The funding is actually provided in an amount equal to 0.265 times the per-pupil base amount, distributed in addition to the student's own base amount funding. The multiplier used is fixed at regular intervals by the state's Committee on Weights.

## Career and Technical Education

Hawaii provides increased funding for career and technical education (CTE) programs. It does so through a program-based allocation for which the state appropriated about \$6.6 million in FY2021.

These funds are intended for CTE teachers, staff development, classroom supplies, and classroom equipment.

## Concentrated Poverty

Hawaii does not provide increased funding for schools based on the concentrations of students from low-income households that they serve. However, Hawaii does provide funding for individual students from low-income households (for more information, see “Poverty”).

## Sparsity and/or Small Size

Hawaii provides increased funding for neighbor islands. It does so by applying a multiplier of 1.004 to the base per-pupil amount for students living on neighbor islands.

Neighbor islands are all Hawaiian islands except Oahu.

The multiplier has been expressed this way for consistency with other states. The funding is actually provided in an amount equal to 0.004 times the per-pupil base amount, distributed in addition to the student’s own base amount funding. The multiplier used is fixed at regular intervals by the state’s Committee on Weights.

## Charter Funding

Funding for charter schools in Hawaii is calculated based on a formula similar to the one used to calculate funding for traditional public schools.

Like traditional public schools, charter schools are funded through a student-based formula that considers the characteristics of students they educate. Charter schools in Hawaii may choose to receive funding through the state’s funding formula for traditional public schools, including additional funding for students in most special programs and need categories. Alternatively, charter schools may propose to receive funding through an alternate student-based funding formula.

Hawaii operates as a single, statewide school district and does not raise any local tax revenue.