

State of Hawaii

Program Name:	Weighted Student Formula
Implemented:	2004-2005 School Year
Program Type:	State-Wide Program
Legal Authorization:	Hawaii Legislature, Act 51

Hawaii School Empowerment Benchmarks		
1.	School budgets based on students not staffing	yes
2.	Charge schools actual versus average salaries	no
3.	School choice and open enrollment policies	no
4.	Principal autonomy over budgets	yes
5.	Principal autonomy over hiring	no
6.	Principal training and school-level management support	yes
7.	Published transparent school-level budgets	yes
8.	Published transparent school-level outcomes	yes
9.	Explicit accountability goals	yes
10.	Collective bargaining relief-flat contracts, etc.	no
Hawaii met 6 out of 10 school empowerment benchmarks.		



I. Program Overview

Hawaii has one centralized school district run by the State Department of Education. The state's official enrollment for the 2008-09 school years—with all 257 Department of Education (DOE) schools and 31 charter schools—is 177,871. The DOE public schools enroll 170,498 students or 95.9 percent of the total, while charter schools have 7,373 or 4.1 percent of the total.¹

Hawaii's public education system, unlike the other 49 states, receives its funding predominantly from state and federal sources. Hawaii is the only state not dependent on local property taxes as a major source of revenue.

In 2004 the state legislature passed Hawaii's weighted student formula (WSF) program through Act 51, the Reinventing Education Act of 2004.² The Hawaii Department of Education calls this education restructuring effort the Reinventing Education Act for the Children of Hawaii (REACH).

The Department of Education identifies three key principles that drive REACH:

- **Empowerment:** Principals and communities will have greater reach—more authority, more decision-making ability and more control over funds.
- **Streamlining:** When schools reach for resources, they will get them quickly and easily.
- **Accountability:** With greater reach, comes greater responsibility. Everyone in the Department of Education—teachers, principals, administrative and support staff—will be held to high, measurable standards and will be responsible for achieving those standards.

Under the Reinventing Education Act of 2004 (Act 51), the first WSF was adopted by the Hawaii Board of Education for use in school year 2006-07. Annually the Committee on Weights (COW) provides the Board with a recommendation regarding the WSF. The Board of Education may adopt all, some or none of the committee recommendations. The committee is composed of a group of volunteers recommended by the Superintendent of Education and the Dean of the College of Education at the University of Hawaii, Manoa. The 17-member committee includes educators, parents, business representatives and other education community stakeholders.

In short, the committee reviews the WSF and may recommend changes in any of the following areas:

- Student characteristics that may be weighted
- A system of weights to apply to determine the relative cost of educating a student
- Specific student weights
- Which funds should be distributed via the WSF
- Other functions that facilitate the implementation of the WSF

One of the strong points of Hawaii's weighted student formula program is the careful review of budget categories to expand the amount of the weighted student formula dollars over time. The committee on Weights has very specific criteria to determine whether funds should be added to the WSF allocation. The committee asks a series of questions based on very specific criteria.

Criteria for New Program Funds to Be Included in WSF

Program funds are recommended for inclusion in WSF if the funds:

1. Were provided to all schools
2. Were provided to all schools of a particular level (i.e., HS)
3. Could be distributed equitably by formula
4. Would provide greater flexibility to the school community
5. Were previously distributed in a manner that resulted in an inequity

For example, in 2008 the Board added the Peer Education Program to the unrestricted weighted funds because all secondary students in Hawaii should have access to the funds.³

If the Board of Education approves the recommendations, in all or in part, the Department then implements the WSF by using the formula to allocate funds to the schools on a student per capita basis. Allocating funds to schools based on a system of weighted student characteristics helps ensure that the relative amount of funds available to schools is based on the needs of the students. Additionally, the use of WSF makes the budget process more transparent to school communities and provides a basis for more accurately assessing the relative cost of educating students whose educational characteristics are known to require additional assistance and support.

II. Student-Based Budgeting Formula

The 2008-2009 formula accounts for nearly one half of the Department's

operating budget or about two out of three dollars allocated to schools.

In brief, the formula provides a basic per capita allocation to every student and additional funds to schools through weights, beyond the basic per capita amount, based on the following student characteristics:

- Economic disadvantage
- English language learners
- K2 class enrollment
- Transiency
- Elementary school
- Middle school
- Geographic isolation
- Neighbor island
- Multi-track

The weights include multi-track (which refers to students enrolled in year-round school on multiple calendars), Neighbor Island (which means the islands other than O'ahu) and K-2, which is an extra weight for students in kindergarten through second grade.

Schools with low enrollments receive additional per-student funding to partially offset the higher cost associated with operating schools with fewer students. On a sliding scale based on the number of students enrolled, smaller schools are provided this small-school subsidy.

In addition, there is a "hold harmless" clause that limits the size of a downward adjustment a school may experience in any one year, to 4 percent of the previous year's allocation.

Under the WSF, each public school receives a set amount of funds for basic needs. A specific dollar amount is allocated to educate each student before student characteristics are considered. In 2009-2010

that base allocation will be \$4,885.87 per pupil. After the basic allocation, additional funds are given to educate students with special needs that impact their learning and achievement. (see Table 1)

Additionally, on September 4, 2008, the Board of Education approved a weighted student formula (WSF) for the 2009-2010 fiscal year. The Board-approved changes and additional funding, totaling \$5,225,903, come from the following categorical programs: Athletic Directors (\$2,984,032); Pregnant Teen/Parenting Program (\$1,437,625); In-school Suspension (\$329,638); Farrington Health Academy (\$328,607); Pregnant Teen Center - Maui (\$101,001); and Youth Leadership Project (\$45,000). These funds will now be removed from non-discretionary categorical funds and added to the WSF allocation.

The total tentative allocation for WSF for 2009-2010 is \$1,002,434,294. This represents about 41 percent of the Department of Education's total budget and about 47 percent of the operating budget.

III. Autonomy

In 2004, Act 51 mandated WSF and the decentralization of 70 percent of the DOE's operating budget to individual schools where school community councils have the flexibility to design curriculum and financial plans. Currently principals have discretion over less than 50 percent of the operating budget of the Hawaii Department of Education under weighted student formula allocations. The Committee on Weights is incrementally moving more restricted programs into the weighted student funding allocation. However, judging by the line items in the central office budget, there are still many central office programs that could be redirected into the weighted student formula allocation.⁴

For example, according to the 2009-2010 WSF implementation manual "general fund programs that are not in the WSF in SY 2009-10 include, but are not be limited to, Article VI, Vocational Education, Athletics (Coaches Salary and Supplies),

At-Risk programs, Hawaiian Studies and Hawaiian Language Immersion Program, Special Education, School Health Aides, Diagnostic Services, Utilities (other than Telephone), Student Transportation, Food Service and major Repairs & Maintenance."⁵

Principals in Hawaii have very little control over staffing decisions and are bound by collective bargaining agreements that allocate staff based on seniority and district placement. The union contract

Hawaii's Weighted Student Formula		
Student Characteristics	Projected Students in SY08-09	Weight (relative additional cost)
Base per student	173,142	1.0
Economic disadvantage		0.10
ELL		
Non proficient	5,175	0.362
Limited Proficiency	9,801	0.181
Full Proficiency	794	0.060
K2	43,787	0.15
Transient	14,043	0.05
Elementary	88,086	0.035
Middle school	31,845	0.10
Geographically isolated	1,821	0.005
Multi-track	5,882	0.005
Neighbor island	53,835	0.005

Source: Hawaii Department of Education

also restricts the principals' discretion over school organization, hours and calendar.

IV. School-Level Management Support

The Hawaii Department of Education offers support to principals through the Hawaii Principals Academy. Attendance at the academy is mandatory for the state's approximately 260 elementary, intermediate and high-school principals.⁶

The academy is not a physical institution, but an ongoing training program held at various locations around the state throughout the year. Prospective principals and district superintendents also attend.

The program is run by DOE's Professional Development and Educational Research Institute. Each year, the academy provides four or five one- to two-day training sessions, amounting to about 40 hours total. Sessions on such topics as liability, legal issues and personnel management are mandatory for current and prospective principals. Sessions covering such topics as organizational development, resource management, presentation skills and school leadership are optional. Additionally, new principals are required to attend monthly training sessions to help them with grant writing, budgeting and planning. This training is taught by fellow principals.

V. School Site Councils

School Community Councils (SCCs) are mandated by the Reinventing Education Act of 2004.⁷

Members on the council are elected by their constituencies—teaching staff, non-

certificated staff, parents, students and community members. The principal is a member but may not serve as the council chair. The community stakeholders (students, parents and community members) must be equal in number to the number of school staff on the council. The SCCs are advisory groups helping principals act locally on behalf of their schools. Their first major task was to evaluate their school's academic and financial plan (AFP) initially prepared by the principal. When approved by complex area superintendents, the AFP becomes the school's blueprint for spending its money allocated under the weighted student formula. The AFP will help the school align resources with identified school needs for the purpose of improving student achievement. School Community Councils are forums for exchanging ideas about how to improve student achievement among the school's stakeholders: principals, teachers, school staff, parents, students and community members.⁸

School Community Councils are a major part of the overall leadership structure at each school. They advise the principal on specific matters that affect student achievement and school improvement. Their primary role is to help ensure that the needs of all students are specifically addressed in the overall education plan for the school. The academic and financial plan is a document that highlights the goals for the school, the programs and the available resources to reach these goals.

VI. School Choice Component

Hawaii does not have an explicit school choice component of their school empowerment plan. The enrollment guidelines at the Hawaii Department of

education do not offer parents information about transfer opportunities. The state has a strict residential verification system for each school and warns parents that they can be prosecuted for falsifying a student's address. The state of Hawaii maintains a "feeder system" of schools. This means a student is placed into an elementary school based on the child's address and that the elementary school feeds into a specific middle school and high school.

The only visible school choice for parents in Hawaii is the charter school system. Charter schools in the state have open enrollment.

VII. Accountability

The Hawaii Department of Education has an integrated accountability system. Each school's individual academic and financial plan tells a narrative summary of how the school will use resources to meet specific academic goals. In addition, each school has a yearly progress report called the Educational and Fiscal Trend Report. These reports are user-friendly report cards that are published to grade individual schools. These report cards show how efficiently money is being spent, how student performance measures up and what the overall quality of education in Hawaii's public schools looks like.

All of these academic and financial plans, report cards and the school-level budgets are published in a one-stop Web site where multiple documents for each individual school are available. The "Web site," School Documents Online, offers a transparent look at the strategic plan, academic and financial plan and the performance outcomes and budget

documents for each school in a "one-stop portal."⁹

VIII. Performance Outcomes

Hawaii has seen small incremental increases in student achievement on state and federal tests, increased the number of students taking advanced placement courses and maintained the graduation rate.¹⁰

In 2007, a new standards-based assessment aligned with the newly implemented Hawaii Content and Performance Standards (HCPS III) was administered. Also in 2007, the TerraNova replaced the long-standing Stanford Achievement Test as the norm-referenced test. The 2008 test results provide the first opportunity to compare standards-based and norm-referenced outcomes with the 2007 baseline results. The 2008 Hawaii State Assessment results revealed student proficiency levels are steadily improving when compared to last year. Proficiency levels increased or remained stable in every grade and subject area except grade five reading when compared to the 2007 results. Substantial improvements were reflected in grade four reading and grade eight math scores.

- Students' progress on the National Assessment of Educational Progress (NAEP), the nation's benchmark for student achievement, mirrors the incremental improvement on Hawaii's state assessment and shows that Hawaii's fourth- and eighth-graders made across-the-board gains on the NAEP between 2005 and 2007. In math Hawaii fourth graders scored 230 in 2005 and 234 in 2007 and eighth

graders scored 266 in 2005 and 269 in 2007. In reading fourth graders scored 210 in reading in 2005 and 213 in reading in 2007 and eighth graders scored 249 in reading in 2005 and 251 in reading in 2007.

- The number of students enrolled in advanced placement exams in high school increased from 2,725 in 2007 to 3,064 in 2008.
- In Hawaii each year a cohort of first-time ninth graders are tracked to their fourth year in the public school system. About 80 percent of each cohort, over the last three years, has graduated on-time. The dropout rate for the last few years has hovered at about 16 percent. The rest of the students are either still working toward their diploma or completed school with a special education certificate of program completion.

IX. Lessons Learned

1. In Hawaii the Committee on Weights presents a formal and transparent process for reviewing the weighted student formula. This yearly review offers districts a formalized process to review discretionary versus non-discretionary funding for individual schools. In Hawaii the committee has increased the amount of categorical funds added to the WSF allocation every year.
2. Hawaii's Committee on Weights offers sound criteria for evaluating which categorical programs should be added to the weighted student formula allocation. For example, if the categorical program is provided to every school or every

school at a certain grade level, then the money should be unrestricted in the weighted student formula calculation.

3. Hawaii demonstrates a clear template for integrating the academic and financial plan for each individual school. It allows schools to describe their individual academic goals, the weighted student formula allocation that supports those goals and the potential outcomes for investing in each specific academic goal. This allows principals and school community councils the information to later evaluate whether specific investments helped to increase student outcomes.
4. Hawaii offers parents and community members a one-stop Web site where every individual school document from the budget and strategic plan to the yearly progress report is in one location under each school's name. This is a true innovation for the parent consumer. No longer does the parent have to navigate multiple sections of the district Web site to find all the documents about an individual school.

Resources

Informational Briefing Department of Education Weighted Student Formula, Hawaii State Department of Education, Patricia Hamamoto, Superintendent, January 31, 2007, <http://downloads.k12.hi.us/other/070131SenateWSF/WeightedStudentFY07-09.pdf>.

Weighted Student Formula: School Financial Implementation Manual for Fiscal Year 2009-2010. Hawaii Department of Education, <http://reach.k12.hi.us/>

empowerment/wsf/081223WSF%20Implementation%20Manual%20FY2009-10.pdf.

Working Draft Recommendation to the Hawaii Board of Education from the Committee on Weights for School Year 2009-2010, http://reach.k12.hi.us/empowerment/wsf/080515cowrec_sy0910_draft.pdf.

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Endnotes

1. *Superintendent's InfoExchange*, Department of Education, State of Hawaii, September 18, 2008, <http://doe.k12.hi.us/periodicals/infoexchange/2008/infoexchange080918.htm>.
2. *Act 51: Reinventing Education Act of 2004*, <http://reach.k12.hi.us/Act51SB3238amended1.pdf>.
3. For a detailed list of line-item budget considerations see *Working Draft Recommendation to the Hawaii Board of Education from the Committee on Weights for School Year 2009-2010*, http://reach.k12.hi.us/empowerment/wsf/080515cowrec_sy0910_draft.pdf.
4. To see the large number of programs run by the central office go here: *Working Draft Recommendation to the Hawaii Board of Education from the Committee on Weights for School Year 2009-2010*, http://reach.k12.hi.us/empowerment/wsf/080515cowrec_sy0910_draft.pdf.
5. *Weighted Student Formula: School Financial Implementation Manual for Fiscal Year 2009-2010*. Hawaii Department of Education, <http://reach.k12.hi.us/empowerment/wsf/081223WSF%20Implementation%20Manual%20FY2009-10.pdf>.
6. Nanea Kalani, "Principals go to School to Learn Business Practices," *Pacific Business News*, February 19, 2007.
7. Ruth Tschumy, School Community Councils, *Perspectives #12*, Hawaii Educational Policy Center, February 6, 2006.
8. For more information about School Community councils see <https://iportal.k12.hi.us/SCC/sccpurpose.aspx>.
9. For a comprehensive look at school-level accountability documents go here: <https://iportal.k12.hi.us/SDO/DefaultP.aspx>
10. For detailed information about Hawaii student performance see: *Superintendent's 19th Annual Report, State of Hawaii Department of Education*, http://arch.k12.hi.us/PDFs/state/superintendent_report/2008/2008SuptRptFinal20090205.pdf