




STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

OFFICE OF THE SUPERINTENDENT

September 19, 2019

TO: The Honorable Kenneth Uemura
Chairperson, Committee on Finance and Infrastructure

FROM: Dr. Christina M. Kishimoto
Superintendent and Co-Chairperson, Committee on Weights XI 

SUBJECT: **Committee Action on the Recommendations of the Committee on Weights XI regarding the Weighted Student Formula Fund Allocation for the 2020-21 and 2021-2022 School Years**

EXECUTIVE SUMMARY

During the spring and summer of 2019, the Department convened the Committee on Weights XI, known as COW XI, to review the Weighted Student Formula (WSF) for school year 2020-2021 and beyond.

- The COW XI focused on distributing funds to schools in a manner that: (1) provides maximum budgetary flexibility to Principals based on their specific school needs and designs, and (2) ensures accountability of funds that are targeted toward mitigating specific gaps or needs. In addition, members raised their concerns about differentiated geographical costs across regions of our island state and the multiple service demands to provide needed educational opportunities and services to students.
- The COW XI has formulated a proposal to distribute the Department's fixed resources to support school operations in a manner that reflects the relative costs of educating a student with differentiated consideration for student needs to improve financial adequacy and equity.

This presentation to the Board of Education is to share the COW XI findings and recommendations related to the WSF for Board action to accept the attached COW XI Committee Report (Attachment A). Specifically, the Committee recommends:

- Doubling the neighbor island weighted factor from 0.004 to 0.008 beginning Fiscal Year (FY) 2020-21.
- Prioritizing additional funding approved by the Legislature to increase the support for English Learner students beginning FY 2020-2021.*
- Prioritizing additional funding approved by the Legislature to support homeless students at a weight of 0.20 beginning FY 2020-2021.*

*If additional funding is allocated to the WSF program for FY 2020-21, these funds will be proportionally distributed between the EL and homeless students' weight, per the recommendations by the COW.

I. HISTORY OF SUBJECT MATTER

During the 2004 Legislative Session, the Committee on Weights (COW) was established with the passage of Act 51 and Act 221. Every year from 2005 to 2011, then with an amendment to state law every odd numbered year beginning with 2013, the COW members' composition consistent with state law has been approved by the Board of Education. Comprised of school, complex area, and state staff together with community representatives from across the islands, the COW is an intentional opportunity for Principal and staff voice on how school-based funds are distributed.

The WSF equitably distributes operating budget funds to schools based upon the number of students they serve and the needs and characteristics of those students. Further, the WSF establishes per-student funding that is increased according to various characteristics that require greater supports for students, as well as school-level base funding.

- A. Listing of dates when the Board or committee previously discussed the subject matter and the outcome.

May 23, 2017 Committee on Finance and Infrastructure

- Agenda:
<http://boe.hawaii.gov/Meetings/Notices/Pages/May-23,-2017-Finance-and-Infrastructure-Committee-Meeting.aspx>
- Minutes:
<https://alala1.k12.hi.us/STATE/BOE/Minutes.nsf/7d59b00aff8d3cf50a2565cb00663e82/e9f6712d7d6a024e0a25814e00833de8?OpenDocument>

May 23, 2017 General Board Meeting

- Agenda:
<http://boe.hawaii.gov/Meetings/Notices/Pages/May-23,-2017-General-Business-Meeting.aspx>
- Minutes:
<https://alala1.k12.hi.us/STATE/BOE/Minutes.nsf/ebb43af14ca5cdb30a2565cb006622a8/6c9ad87a717f99020a258138006b3925?OpenDocument>

In 2017, the Board unanimously approved the acceptance of the COW X findings and recommendations to modify the WSF:

1. As average salaries are updated for purposes of schools' Financial Plans, the base funding amount to be adjusted accordingly beginning FY 2017-2018.
2. As English Learners (formerly known as English Language Learners) have a static weighting factor at each level of English proficiency (Fully English Proficient, Limited English Proficient, Non-English Proficient) in the WSF beginning FY 2017-2018, versus calculating the weighting factor based on a fixed dollar amount as is currently done.
3. If additional resources are provided, funding be prioritized to support homeless students at a weight of 0.20 beginning FY 2018-2019.
4. If additional resources are provided, funding be prioritized to increase the support for English Learners beginning FY 2018-2019.

February 21, 2019 Committee on Finance and Infrastructure

- Agenda:
<http://boe.hawaii.gov/Meetings/Notices/Pages/February-21,-2019-Finance-and-Infrastructure-Committee-Meeting.aspx>

- Minutes:
<https://alala1.k12.hi.us/STATE/BOE/Minutes.nsf/7d59b00aff8d3cf50a2565cb00663e82/7b8dbe1e7111d1be0a2583d0007a5f68?OpenDocument>

February 21, 2019 General Board Meeting

- Agenda:
<http://boe.hawaii.gov/Meetings/Notices/Pages/February-21,-2019-General-Business-Meeting.aspx>
- Minutes:
<https://alala1.k12.hi.us/STATE/BOE/Minutes.nsf/ebb43af14ca5cdb30a2565cb006622a8/4e5fcfbe7387d54d0a2583b00065c399?OpenDocument>

Earlier this year the Board unanimously approved the Department's recommended COW XI member composition with an amendment to expand the COW to include a student representative whenever possible (Attachment B).

- Representing various school levels and sizes, the 16 COW XI members comprised of the Superintendent, seven principals, two teachers, one school administrative services assistant, one complex area business manager, one registrar, one complex area superintendent and two community members originated from Oahu (nine members), Maui (two members), Hawaii Island (three members) and Kauai counties (two members).

A historical record of prior COW meeting materials and recommendations can be found at:
<http://www.hawaiipublicschools.org/VisionForSuccess/SchoolDataAndReports/StateReports/Pages/Weighted-Student-Formula.aspx>

II. PURPOSE OF REPORT

- Action required by the Board to accept the COW XI report and recommendations pursuant to state law.
 - Hawaii Revised Statutes (HRS) 302A-1303.5, Committee on Weights
 - https://www.capitol.hawaii.gov/hrscurrent/Vol05_Ch0261-0319/HRS0302A/HRS_0302A-1303_0005.htm
 - Hawaii Revised Statutes (HRS) 302A-1303.6, Weighted Student Formula
 - https://www.capitol.hawaii.gov/hrscurrent/Vol05_Ch0261-0319/HRS0302A/HRS_0302A-1303_0006.htm

III. LIST OF KEY ISSUES

- Ongoing concern regarding the inadequacy of WSF funding for public education in Hawaii and its implications. COX XI recommended that:
 - The Board considers a policy position on adequacy that drives Legislative funding requests.
 - The Board seeks funding in the FY 2020-2021 Executive Supplemental Budget Request.
 - The Department will submit a FY 2020-2021 Executive Supplemental Budget Request to increase WSF for the Board's consideration.
 - The Department convenes a work group from various sectors of the school community, with possible assistance from outside facilitators, to determine a plan of action to deal with the issue of adequately funding all public schools, including small school funding equity.

IV. DISCUSS ANY FINANCIAL IMPACT - FY 2020-2021 AND BEYOND

- Doubling the neighbor island weighted factor will result in an approximate -\$5.08 change per non-weighted student from \$4,465.25 to \$4,460.17 and a \$17.82 change per neighbor island student from \$17.86 to \$35.68.
- Prioritizing additional resources approved by the Legislature to support homeless students at a weight of 0.20 would provide approximately \$3,218,552 in program funds for schools.
- Prioritizing additional resources approved by the Legislature to increase the support for EL students would direct approximately \$10 million in program funds to schools.
 - Pursuant to federal law, schools are obligated to ensure that EL and homeless students have equal access to education. Federal dollars received by the Department for these programs may only be spent to supplement, and not supplant state and local funds. Further, as an outgrowth of the Department's 2018 EL Taskforce, the Office of Student Support Services has been diligently planning and executing EL model development work including identifying best practices for teaching ELs, providing training, and setting statewide expectations.

NOTE: All amounts calculated using data from FY 2019-20 tentative allocation calculation based on projected enrollment and prior year demographic data.

V. DESCRIBE ANY COMMUNITY OR PUBLIC ENGAGEMENT

- Five full-day public meetings were held at the Queen Liliuokalani Building located at 1390 Miller Street in Honolulu on:
 - May 3 and 17, 2019, June 7 and 21, 2019, July 19, 2019
- COW XI meeting agendas, minutes and meeting materials are available at:
 - <http://www.hawaiipublicschools.org/VisionForSuccess/SchoolDataAndReports/StateReports/Pages/Weighted-Student-Formula.aspx>

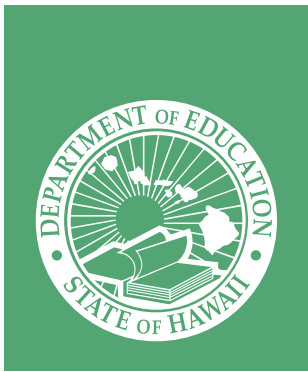
VI. RECOMMENDATION

- The COW XI recommends that the Board accept its report including findings and aforementioned WSF recommendations for the 2020-2021 school year and beyond (refer to Attachment A).
 - Beyond the specific recommended changes to the WSF that requires Board action, the COW XI Committee report details their work, deliberations, findings (Attachment C) and proposed areas of policy development for the Board specific to adequacy and small school equity.
 - Adequacy: Generate a policy position on adequacy that would drive legislative funding requests.
 - Small School Equity: Establish a threshold enrollment for viable small schools.

CMK:STG
Attachments

c: Mitchell Otani, Principal of Kalani High & Co-Chairperson, Committee on Weights XI
Budget Branch

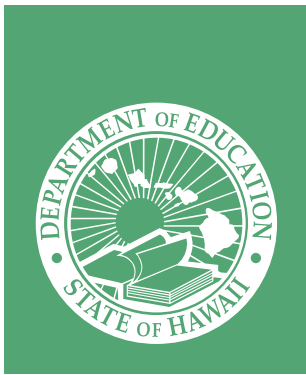
Attachment A



September 2019

Committee on Weights XI Report





The promise of public education to provide equitable access to quality learning is at the heart of our mission. In order to mālama Hawai‘i, we have to mālama our public education system.

Introduction

As a learning organization, the Hawai‘i State Department of Education (Department) is scaling capacity to deliver meaningful, innovative and rigorous educational experiences that build college, career and community readiness for our haumana grounded in the values of HĀ. To accomplish our work, two high priority areas for the Department and the Board of Education (Board) are financial adequacy and equity.

During the Spring and Summer of 2019, the Department convened the Committee on Weights XI, known as COW XI, to review the Weighted Student Formula (WSF) for school year 2020-21 and beyond as authorized by §302A-1303.6, Hawai‘i Revised Statutes (HRS) (Attachment A).

Led by co-chairs Superintendent Christina M. Kishimoto and Kalani High Principal Mitchell Otani, the Committee focused on maximizing funds to schools in a manner that: (1) provides maximum budgetary flexibility to Principals based on their specific school needs and designs, and (2) ensures accountability of funds that are targeted toward mitigated specific gaps or needs. In addition, members discussed their concerns about differentiated geographical costs across regions of our island state and the multiple service demands to provide needed educational opportunities and services to students.

The Board-approved COW XI composition broadly represented the unique and diverse characteristics of schools, such as small, rural, neighbor-island, and combination schools. Every year from 2005 to 2011, then with an amendment to state law every odd numbered year beginning with 2013, the COW members’ composition consistent with law, §302A-1303.5, HRS (Attachment A), have been approved by the Board. Comprised of school, complex area, and state staff together with community representatives from across the islands, the COW is an intentional opportunity for Principal and staff voice on how school-based funds are distributed.

The following COW XI members contributed invaluable expertise and voluntarily participated in numerous topic discussions:

COW XI Members:

Member	Position and School/Office
Dr. Christina M. Kishimoto	Superintendent - Department of Education
Mitchell Otani	Principal - Kalani High School
Kristen Brummel	Director, Hawai'i Teacher Fellows Program at Hope Street Group
Erik Burkman	Principal - Kalāheo Elementary
Justin Carmichael	School Administrative Services Assistant - 'Ewa Makai Middle
Heather Dansdill	Principal - Hilo Intermediate
Chad "Keone" Farias	Complex Area Superintendent - East Hawai'i
Carl Hinson	Director, Workforce Development at Hawai'i Pacific Health
Justin Hughey	Teacher - Kamehameha III Elementary
Wendy Matsuzaki	Principal - King Intermediate
Gail Nakaahiki	Complex Area Business Manager - Kapa'a-Kaua'i-Waimea
Noel Richardson	Principal - Waimānalo Elementary & Intermediate
Katina Soares	Principal - Moloka'i High
Osa Tui	Registrar - McKinley High
Adam Tuifagu	Teacher - Kalaniana'ole Elementary & Intermediate
Malaea Wetzel	Principal - Hale'iwa Elementary



Formula Overview:

The Weighted Student Formula (WSF) equitably distributes operating budget funds to schools based upon the number of students they serve and the needs and characteristics of those students. Estimates of the WSF are made throughout the year to incorporate the latest numbers for enrollment and allocations. These reports are provided to schools so they may produce their financial plans for the coming school year. The Financial Plan guides school-level spending on staff, programs, and other resources.

Each school's base funding is calculated with a specific dollar amount allocated for each student enrolled. Additional funding is provided to educate students with identified characteristics that impact their learning and achievement, and require additional supports to ensure equity of access. These differentiated weights include, among others: Gifted & Talented, Economic Disadvantage, Limited English Proficiency, and Transiency.

The WSF is comprised of school-level base funding. Elementary, middle, high and combination per-student funding is increased according to various characteristics that require greater supports for students. The COW XI recommendations will be presented to the Board for its consideration in September of 2019. Prior COW agendas, minutes, and recommendations, and Board actions may be viewed on the Department's website.¹

Pursuant to §302A-1303.5, HRS, the COW may:

1. Create a list of student characteristics that will be weighted;
2. Determine specific student weights, including their unit value;
3. Recommend a WSF to the Board; and
4. Perform any other function that may facilitate the implementation of the WSF.

The COW XI conducted a thorough review of the current student and school characteristics and examined proposed additions to the WSF.

Limitations of COW:

Must work within the Department's WSF budget allocation.

Additional WSF funding for specific outcomes sought by the Department may be based on projected increases in statewide enrollment, recommendations from the Board, or others.

Recommendations:

The COW XI has formulated a proposal to distribute the Department's WSF appropriation to support school operations in a manner that reflects the relative cost of educating a student. And, with due consideration afforded to the goals, objectives, and strategies of the Hawai'i State Department of Education and Board of Education Strategic Plan 2017-2020, the State's Blueprint for Public Education, and the Hawai'i Consolidated State Plan for Every Student Succeeds Act for federal funding.

In developing its recommendations, the COW XI considered a multitude of factors including feedback and testimony from principals and other stakeholders (Attachment B), input from program managers, and their own independent observations and experiences. Further, members recognized the need for continuous programmatic improvement in the delivery of curriculum and related services. The COW also considered areas of additional policy development needed from the Board to support COW decisions.

¹ <http://bit.ly/HIDOE-WSF>
<http://bit.ly/Capitol-HRS-0092>

Summary of COW XI

I. Proposed changes to the WSF:

The COW XI proposed and unanimously passed the following recommendations:

1. Neighbor island weighted factor be doubled from 0.004 to 0.008 beginning Fiscal Year (FY) 2020-21.
2. Additional funding approved by the Legislature will be prioritized to increase the support for English Learner (EL) students beginning FY 2020-21.*
3. Additional funding approved by the Legislature will be prioritized to support homeless students at a weight of 0.20 beginning FY 2020-21.*

** If additional funding is allocated to the WSF program for FY 2020-21 by the Legislature, these funds will be proportionally distributed between the EL and homeless students' weight, per the recommendations by the COW.*

The discussion pertaining to the aforementioned recommendations are provided on pages 5-6.

II. Proposed Areas of Policy Development for the Board:

The COW XI raised areas of policy development for the Board, such as:

1. Adequacy: Generate a policy position on adequacy that would drive legislative funding requests.
2. Small School Equity: Establish a threshold enrollment for viable small schools.

Neighbor Island Weight

The current WSF calculation includes a weighted factor of 0.004 for each neighbor island student. The additional funds are to help offset uniquely higher operating costs incurred by neighbor island schools.

I. What is the issue?

Is the existing neighbor island student weight appropriate in light of added costs associated with operating schools on neighbor islands?

II. What was the discussion?

The COW XI reviewed FY 2018-19 actual expenditure data for all schools for select object codes (freight & delivery charges, gas, gasoline, private car mileage, and intra-state travel) and compared average spending by Oahu and neighbor island schools. The average expense for Oahu schools was \$3.52 per student and \$16.58 per student for neighbor island schools. This cost differential for these few expense items appear to indicate higher operating costs for neighbor island schools.



The COW XI also discussed:

1. Additional “hidden costs” that were not readily captured due to limitations of the expenditure data (e.g., shipping costs being recorded under other object codes);
2. Costs incurred by schools due to their relatively greater role as a hub in the community in rural settings;
3. The cost borne by neighbor island students that do not have ready/equitable access to the level of educational resources/opportunities compared to those in or in closer proximity to more urban settings;
4. Added costs for neighbor island schools for travel for athletic events, professional development, and field trips; and
5. Higher costs for contracted providers.

III. What is the recommendation?

- To increase the neighbor island weighted factor from 0.004 to 0.008. *Summary of Impact: Doubling the neighbor island factor would result in an estimated increase from \$17.86 per neighbor island student to \$35.68. The estimated impact on the value of 1.00 is a reduction of approximately \$5 per student, from \$4,465 for a non-weighted student to \$4,460.*

Neighbor Islands Weight: Increase the weights of neighbor island.

Characteristic	Proj. Count	Current Weight	Current Value	Proposed Weight	Revised Value*	CHANGE Per Student
Non-Weighted Student	170,273	1.000	\$4,465.25	1.000	\$4,460.17	-\$5.08
Neighbor Island	54,415	.004	\$17.86	.008	\$35.68	\$17.82

* The dollar value above is an estimate, based on current counts and appropriation.

English Learners and Homeless Students

The COW XI wished to reiterate its support to increase the English Learners (EL) weights and the creation of a weight for homeless students. This change is dependent upon additional funds being appropriated to the Department, as recommended by COW X.

I. What is the issue?

Is additional funding needed to support EL and homeless students?

II. What was the discussion?

COW XI members agreed that the Department should request additional funding for EL and homeless students as requested by COW X. Pursuant to federal law, schools are obligated to ensure that EL and homeless students have equal access to education. Federal dollars received by the Department for these programs may only be spent to supplement, and not supplant state and local funds. Further, as an outgrowth of the Department's 2018 EL Taskforce, the Office of Student Support Services has been diligently planning and executing EL model development work including identifying best practices for teaching ELs, providing training, and setting statewide expectations.

III. What are the recommendations?

- If additional resources are provided, funding be prioritized beginning SY 2020-21 to increase the weight support for English Learners (EL) and to support homeless students at a weight of 0.20.

English Learners (EL): Increase the weights for all levels of EL.

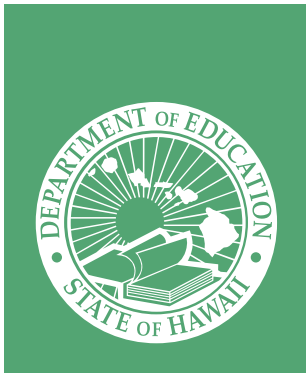
Characteristic	FY 2019-20			FY 2020-21		CHANGE Per Student
	Proj. Count	Tentative Weight	Current Value	Proposed Weight	Revised Value*	
English Learners (EL)	17,563	-	-	-	-	-
Fully English Proficient	1,091	0.065	\$289.35	0.0978	\$436.60	\$147.25
Limited English Proficiency	10,670	0.194	\$868.04	0.2933	\$1,309.79	\$441.75
Non English Proficient	5,802	0.389	\$1,736.09	0.5867	\$2,619.59	\$883.50
Total Estimated Change	-	-	-	-	-	\$10,000,000

Homeless Students: Create a weight for homeless students.

Characteristic	FY 2018-19			FY 2020-21		CHANGE Per Student
	Official Count	Tentative Weight	Current Value	Proposed Weight	Revised Value*	
Homeless	3,604	N/A	N/A	0.200	\$893.05	\$893.05
Total Estimated Required *	-	-	-	-	-	\$3,218,552

* The dollar value is an estimate, based on tentative FY 2019-2020 counts and appropriation. Calculation with assumption that neighbor island weight increases to .008.

**These recommendations are being made provided that additional funds are appropriated in FY 2020-21. If the additional funding provided is less than the total requirements as estimated, the changes will be applied proportionally.



Program Reports

Overview:

The COW XI reviewed non-WSF programs and positions to determine if any of the programs or positions could be added into the WSF (Attachment C) and the “Listing of Programs Included in Weighted Student Formula (WSF) as of 2017” (Attachment D) to determine if any programs or positions should be taken out of WSF.

They also looked at the “Criteria for New Program Funds to be Included in WSF,” which was updated by COW VI. The criteria states that the COW agreed that program funds will be recommended for inclusion in WSF if the funds will be allocated:

1. to all schools;
2. to all schools of a particular level (e.g., high school);
3. equitably by formula;
4. to provide greater flexibility to the school community; or
5. to address an inequitable distribution of funding.

Various discussions focused on areas that may impact schools’ ability to equitably meet student needs, even if potential remedies were beyond the scope of the school-level funding formula, such as:

- Adequacy
- Small School Equity
- Teacher Recruitment and Retention
- Hawaiian Language Immersion Program
- Tentative to Official Enrollment

In addition to the proposed recommendations generated by the COW XI, the Committee conducted critical program and related criteria reviews, and discussed subject areas for future consideration to improve funding equity and adequacy.

Throughout COW XI, members requested information to provide them with a better understanding of the various programs within the Department and how they support the school's endeavors to meet the needs of the student. These included:

- Title I Funding
- Academic Plan and Financial Plan
- Geographic Exceptions
- Isolated Schools - Additional Funding



Supplementary Recommendations

The following chart provides a summary of aforementioned COW XI programs' findings and recommendations including deliberations.

Topic	Finding and/or Recommendations
1. Adequacy	Seek funding for an adequacy study, and convene a workgroup to determine a plan of action. Generate a policy position.
2. Small School Equity	Review Hawai'i Administrative Rules that deal with the consolidation of public schools. Focus on establishing a threshold enrollment level for viable schools.
3. Teacher Recruitment and Retention	Continue and expand efforts underway outside of the WSF to address this issue. Do not make changes to WSF to attempt to address this challenge.
4. Hawaiian Language Immersion Program (HLIP)	Do not move HLIP into the WSF. Consider doing so in the future if it supports the interest of meeting student demand. Encourage HLIP to consider providing start-up grants in a clear and predictable way.
5. Tentative to Official Enrollment	Maintain current practice of allocation adjustments based on updated calculations using Official Enrollment Count data.
6. Title I funding	Conduct research to address if qualifying elementary schools may be prioritized for Title I funding to close the achievement gap at the elementary school level.
7. Academic Plan and Financial Plan	Strive to release both templates at the same time, ensure alignment, and create a working group to determine best practices for both documents.
8. Geographic Exception	Review Geographic Exception procedures and practices. Propose amendments to improve schools' ability to provide equitable access to school design models.
9. Isolated Schools - Additional Funding	Evaluate impact of COW X decision during 2020-2022 school years and revisit during COW XII.

Adequacy

The COW XI took up the issue of adequacy and explored its implications for public education in Hawai'i. All prior Committees have also expressed concerns regarding the inadequacy of public education funding (Attachment E).

I. What are the issues?

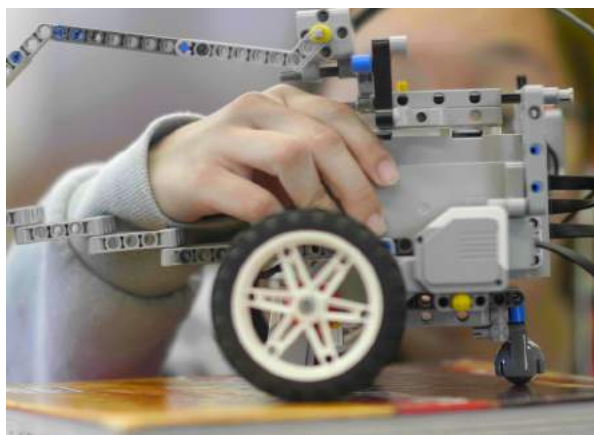
1. Is there a common understanding among the COW XI members on the definition of adequacy?
2. How have other districts and/or jurisdictions determined what is adequate to fund their schools?
3. Is there a Board policy that defines adequacy?

II. What was the discussion?

The COW XI was asked how they defined adequacy in order to see if there was a common definition and understanding among its members. The definition of adequacy varied among members.

A discussion ensued around a draft definition:

An educational system that focuses on and achieves student growth at optimal levels is performing at adequacy. Adequacy is met when our schools provide every student what they need to meet their expected learning outcomes for the year and our high needs students are growing at a catch up pace (closing the gap).



A related conversation focused on information on three states' (Washington, California, and Kansas) efforts to determine the issue of adequacy (Attachment F). Each state defined adequacy differently, which helped the COW XI to draw out the challenges, key cost factors, and approaches which can be used to define adequacy in Hawai'i.

A. What were some of the challenges in defining adequacy?

1. Defining a single set of goals and desired outcomes;
2. Ensuring existing funds are being expended efficiently to achieve desired goals/outcomes;
3. Accounting for variance in resource inputs into schools (e.g., community/parental support, facilities);
4. Accounting for variance in the capacity of students to learn using different strategies (e.g., cultural variances and cognitive abilities);
5. Accounting for variance in the capacity of school staff to support student learning (e.g., professional development and leadership); and
6. Accounting for the impact employing different strategies can have on the capacity of students and staff.

B. What are the key cost factors?

1. Student needs;
2. Geographic differences in costs; and
3. Scale of school and district operations.

C. What are the general approaches that exist in defining adequacy?

ADEQUACY

1. Cost Functions: This approach uses data on educational expenditure and correlates these with measures of student need; scale (size) of district operation; measures of efficiency, if available; and educational outcomes based on achievement test results. The result estimates an education “cost function”, which measures the cost associated with producing a given level of “output” (e.g., students educated to a certain standard) under specific conditions defined by measures of student need and scale of operations.
2. Professional Judgment: With this approach, a research team organizes comprehensive panels of educators (e.g., teachers, principals, and special education and EL specialists), who then specify the resources (e.g., levels of administrative, student/instructional support; teacher staff, supplies, and materials) necessary to deliver a set of defined “adequate” educational outcomes at a minimal cost across a variety of settings defined by student needs and school size. The research team then uses these resource specifications to calculate the costs of the desired achievement outcomes across each setting.
3. Successful Schools: This approach looks at the spending of schools or districts that have achieved what the researchers consider appropriate, “adequate” educational outcomes.
4. Evidence-Based: This approach uses the research literature on educational effectiveness to specify the appropriate resources for successful schools.
5. Hybrid Approach: This approach looks to combine parts of two or more of the above approaches.

III. What are the recommendations?

- The Board considers a policy position on adequacy that drives Legislative funding requests.
- The Board seeks funding in the FY 2020-21 Executive Supplemental Budget Request.
- The Department convenes a work group from various sectors of the school community, with possible assistance from outside facilitators, to determine a plan of action to deal with the issue of adequately funding all public schools.

Small Schools Equity

Small schools and equitable funding continues to be an ongoing concern in achieving an equitable “playing field” for all schools. The COW XI members’ discussion centered on a school size threshold for public schools in Hawai‘i.

I. What are the issues?

1. Is there an enrollment threshold number for Department schools to remain viable and not trigger Board action?
2. Is there a way for the Department to determine what constitutes a large versus small school?

II. What was the discussion?

A. How do other districts throughout the United States provide funding to their schools?

The article, “Finance Systems used Across States” (Attachment G), describes the differences in the ways other school districts/jurisdictions are allocated funding to support their schools. As various school districts look to allocate funds through a WSF methodology, the process does not guarantee that, although more equitable, schools will have sufficient funds to operate.

B. What is meant by “Large” versus “Small” Schools?

1. There is no clear agreement on the dividing line between small and large schools. - Davant T. Williams, (1990).²
2. Nationally, there is no definitive number that determines small versus large schools.
 - Williams writes that, “On average, the research indicates that an effective size for an elementary school is in the range of 300-400 students and that 400-800 students is appropriate for a secondary school (7-8).”
 - The small schools movement, also known as the Small Schools Initiative, in the United States holds that many high schools are too large and should be reorganized into smaller, autonomous schools of no more than 400 students, and optimally under 200.
 - As such, criticisms have stemmed from the fact that the term “small school” is not uniform. For instance, schools of between 400 and 1200 students are often classified as small schools despite having few of the attributes of small schools (e.g., a community of 200 or less, class size of less than 15, and similar criteria often applied).

Additional shared information included:

- An article about a dashboard entitled, “Exploring Small School Sizes and Enrollment Thresholds” that visualizes an enrollment threshold for public elementary school viability (Attachment H).
- Hawai‘i Administrative Rules (HAR), Title 8, Chapter 38, which deals with the consolidation of public schools (Attachment I).

III. What is the recommendation?

- The Board review the HAR Chapter 38 and draft a Board policy that establishes a threshold enrollment for viable small schools. The policy should be clear about the Board actions that are triggered when enrollment is below a specified threshold.

² Williams, Davant T. (1990). The Dimensions of Education: Recent Research on School Size. Working Paper Series.

Teacher Recruitment and Retention

The Department expends funds on teacher salaries, new teacher induction and mentoring, as well as other expenses to address the difficulties with teacher recruitment and retention. Inquiries and discussion focused on the WSF as well as teacher and recruitment program funding.

I. What is the issue?

How can the Department better support and ensure that new teachers feel a sense of aloha, regardless of geographic location, enrollment size, and years of experience?

II. What was the discussion?

A. Is it possible to change existing policy/practice and include teachers' experience outside of Hawaii in calculating their salary?

One suggestion was that an "Effective" rating in the Educator Effectiveness System could waive this "new teacher" status. This suggestion was not discussed in detail.

B. How are teacher positions purchased across the state?

This discussion was prompted in response to public testimony that questioned whether or not it is equitable to charge the same cost (average teacher salary) to schools that have mostly teachers receiving below the state average salary as schools that have many veteran teachers earning above the state average. The discussion explored the history of this decision and implications of changing this practice.

C. Is it possible to include a weight for schools with high percentages of beginning teachers?

The COW XI explored the possibility (and potential data sources) of including a weight for schools with high percentages of beginning teachers (0-3, or even 0-5 years of experience). However, the COW XI came to consensus that the WSF is intended to focus on student characteristics, e.g., money should follow the students, not teachers or schools. Information was also provided about the funding that Complex Areas receive through a funding formula, similar to WSF, called Index Complex Area Administration (ICAA) funds. These funds do include a "weight" for schools with higher percentages of teachers with fewer than five years of experience.

D. Which teacher positions are difficult to fill and why?

The COW XI discussed the various positions that are difficult for schools to recruit and retain (hard-to-fill geographic areas and for Special Education teacher positions). The COW XI members and staff from Office of Talent Management (OTM) discussed the specific needs of teachers that impact their ability and desire to teach in particular areas - e.g., childcare, transportation, and affordable housing.

The COW XI members tended to agree that the issues around teacher recruitment and retention go beyond simply allocating funds to schools that need the support. Many schools have the money and positions, but are still struggling to recruit and keep qualified teachers in those positions.



E. What are possible actions the Department can institute to address Teacher Recruitment and Retention concerns?

1. Prior to Teacher Assignment and Transfer Program, OTM should release teacher lists to hard-to-fill schools/districts, e.g. for displaced probationary teachers;
2. Set parameters for non-WSF funding for the work of filling hard-to-fill school vacancies;
3. Create a district/complex liaison position to help with recruitment - e.g., relocation support team (to address geographical area characteristics, housing, etc.);
4. In collaboration with Hawaii State Teachers Association, the Board, and Hawaii Teacher Standard Board, discuss a process to allow teachers' years of experience gained outside of Hawaii; and with a rating of "Effective" on their Educator Effectiveness System evaluation be considered in determining their starting salary; and
5. Increase general funding (outside the WSF) for added efforts on recruitment, retention, and induction & mentoring in hard-to-fill areas.

III. What is the recommendation?

- No recommended changes to the WSF formula.

Hawaiian Language Immersion Program

At the request of the COW XI, the Office of Hawaiian Education Director Dawn Kau'i Sang, and Hawaiian Language Immersion Program (HLIP) Manager Gary Kalehua Krug shared information about the HLIP structure, allocation methodology, and future plans.

I. What are the issues?

1. What is the anticipated outlook and demand for HLIP programs by schools?
2. Would there be a value in moving the program into the WSF at this time?

II. What was the discussion?

1. HLIP enrollment has significantly increased from 1,777 students in School Year (SY) 2008-09 to 3,100 in SY 2018-19.
2. Currently, Board policy allows for three different immersion program delivery models at 17 schools:
 - a. Entire school enrolled in program (2),
 - b. The majority of students enrolled in the program (1), and
 - c. Students offered a Kaiapuni Educational Program in an English medium school (14).
3. Challenges exist in recruiting qualified Hawaiian Language teachers for all four core areas and grade levels.
4. Succession plans for immersion students moving between schools or grade levels are needed.
5. Research and development of HLIP curriculum is ongoing and will continue in future years, which has on-going funding implications.

III. What are the recommendations?

- The COW XI does not recommend moving HLIP program funds into the WSF.
- The HLIP is encouraged to provide schools seeking to create immersion program resources with funding via start up grants in a clear and predictable manner.
- As the program continues to grow, COW XII should consider potentially moving all or a portion of HLIP funding into the WSF, if doing so would be in the best interest of meeting student demand for the program.

Tentative to Official Enrollment

Salaried Financial Plans are created from October to December. This is six months prior to the start of the next school year. The tentative WSF allotment reflected in a school's Financial Plans is based on a school's projected enrollment for the upcoming school year. Ten days after school starts, the first official enrollment count (OEC) is taken. After OEC, the school's WSF allocation is adjusted.

I. What are the issues?

1. Is it possible to "hold harmless" a school's WSF allocation if they are within 5% difference from tentative enrollment to OEC?
2. What would be the financial implications?

II. What was the discussion?

A. What is the current process for determining a school's tentative WSF allocation?

Schools are provided with their tentative WSF allocation based on the projected enrollment and estimated demographics for the upcoming school year.

B. How do schools create their Financial Plan?

Principals, in collaboration with the school's faculty and staff and their respective School Community Council develop a plan to utilize their total tentative WSF allocation. This includes staffing, casual personnel requirements, and operating funds. Principals submit their Financial Plans electronically to their respective Complex Area Superintendent (CAS) for review. Once approved by the CAS, the plan becomes final.

C. How is the WSF-funded staffing determined?

The staff funded through WSF is provided based on the approved Financial Plan. OTM uses the information provided in the Financial Plans to start the Projected School List process. Schools begin interviews and hire teachers during the summer months prior to the start of the new school year. If a school does not meet projected enrollment, the school may need to release teachers, or if they hold off with the hiring of teachers, the more desirable teachers may not be available.

Suggestions and ideas on how to deal with this concern were provided by COW XI members. (e.g., Schools monitor student enrollment prior to the start of school and set aside funds in their Financial Plan to cover potential shortage and/or do not fill all positions funded in their Financial Plan until projected enrollment levels are reached.)

D. If a "hold harmless" clause was adopted, how would schools be affected?

If a "hold harmless" clause was adopted, this could result in less disruption for schools after the school year has begun, allowing schools to keep teachers that were hired based on enrollment projections.

The Budget Branch reviewed FY 2018-19 WSF data and looked for schools whose budgets would not be adjusted if a 5% cushion was provided from projected enrollment count to OEC. If a "hold harmless" was implemented, approximately \$4.2 million additional funding would be needed in WSF or that amount would need to be diverted from the current formula to fund the proposal.

III. What is the recommendation?

- No action to change the current WSF in order to fund this proposal.

Title I Funding

Title I, Part A of the Elementary and Secondary Education Act (ESEA), as amended by the Every Student Succeeds Act (ESSA) provides financial assistance to local educational agencies and schools with high numbers or high percentages of children from low-income families to receive a fair, equitable, and high-quality education and to close educational achievement gaps. Federal funds are currently allocated through four statutory formulas that are based primarily on census poverty estimates and the cost of education in each state.

I. What are the issues?

1. Has the number of schools qualifying for supplemental Title I funds within the Department decreased?
2. If fewer schools qualify for supplemental Title I funding, what happens to any unallotted Title I funds?

II. What was the discussion?

A. Under ESSA, how do schools qualify for Title I funding?

Title I helps the Department meet the educational needs of low-achieving students in schools with high concentrations of students from low-income families.

Under ESSA, a schoolwide program is a key reform strategy designed to upgrade the entire educational program in a Title I school to improve the achievement of the lowest-achieving students.

Title I eligibility is based on School Food Service's free and reduced lunch program.

Public schools qualify for Title I funds if 47.2% or more of the school's students receive free or reduced-price meals. The allocation to eligible public schools is determined by the school's total lunch count (the number of students receiving free and reduced-price meals) multiplied by the applicable county per-pupil allocation (PPA).

Every year, schools become eligible or do not qualify for Title I funding. Overall the number of Title I schools remains constant. All available funds are provided to eligible Title I schools.

B. Does the Community Eligibility Provision (CEP) change a schools Title I allocation?

Yes. For schools implementing the CEP in SY 2017-18, the total lunch count was determined by the direct certification count multiplied by a 1.6 multiplier. The school allocation was then determined by this product multiplied by the applicable county PPA.

C. Can Title I be part of WSF?

Title I funding cannot be included in the WSF because of federal regulations that require these funds supplement and not supplant State funding.

III. What is the recommendation?

- The Department should research if qualifying elementary schools may be prioritized for Title I funding with a focus on closing the achievement during the elementary school years.

Academic Plan and Financial Plan

An Academic Plan utilizes existing school resources to improve and/or introduce new ideas that accelerate the school community's knowledge about closing achievement gaps and providing equitable services for all students. Academic Plans are due annually in May. The template is released in the spring of the previous year.

The Financial Plan provides an overall picture of the planned use of all resources anticipated to be available to the school for the following year. The Financial Plan template is released in October with a school's tentative budget allocation. This allocation is based on projected student enrollment. It allows schools to determine staffing needs and other programmatic expenses. The Salaried Financial Plan is due in December and the Comprehensive Financial Plan is due the following April.



I. What is the issue?

How will the Department redesign its Academic Plan and Financial Plan to align with the proposed new strategic plan – the 2030 Promise Plan?

II. What was the discussion?

A. What did the Department consider when creating the new Academic Plan template?

As the Department transitions from its 2017-2020 Strategic Plan and moves towards the 2030 Promise Plan, a new version of the Department's Academic Plan was released in May 2019 (<http://bit.ly/2020AP>). The Academic Plan utilizes existing school resources to improve and/or introduce new ideas that accelerate the school community's knowledge about ending achievement gaps and providing equitable services for all students. This new Academic Plan, to be completed by schools for the 2020-21 school year, considers the three main goals of Student Success, Staff Success, and Successful Systems of Support, while shifting focus to the Department's Learning Organization and the promises within the 2030 Promise Plan (<http://bit.ly/2030PromisePlan>).

B. Currently, the Academic Plan and Financial Plan are released six months apart, should the release date be adjusted?

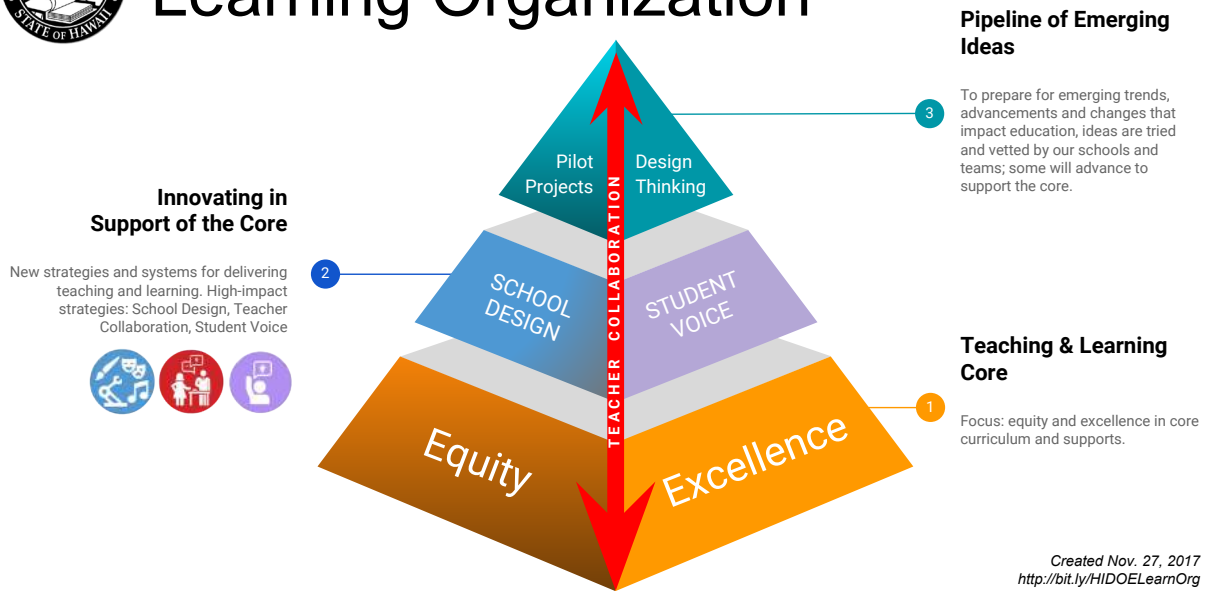
The COW XI was asked to consider how the transition to the 2030 Promise Plan may impact schools' Academic and Financial Plans. Since the 2020-30 Strategic Plan promises and the Learning Organization pyramid are relatively new, COW XI members considered recommendations on how to better relate these to the Department's Academic and Financial Plans.

Discussion centered on collaboration, not only to understand the new initiatives but to support a facilitative process for the Academic and Financial Plans that involves all stakeholders. Members also focused their discussion on the integration of the Department's initiatives to maximize implementation at all levels.



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Learning Organization



III. What are the recommendations?

- The release of the Academic Plan and Financial Plan templates by the Department to schools should be done concurrently.
- The Academic Plan and Financial Plan should align.
- The Department should create a working group to determine best practices for Academic and Financial Plans.

Geographic Exceptions

Geographic exceptions can have a big impact on enrollment counts and thus affect the amount of WSF funding a school receives.

I. What is the issue?

Does enrollment shifts due to geographic exceptions affect a school's budget and planning for the next school year?

II. What was the discussion?

What is the impact of geographic exceptions on schools?

The COW XI viewed reports that indicated schools with net enrollment gains and losses due to geographic exceptions. Members discussed and raised concerns about enrollment shifts, funding, geographic exceptions approvals, and how the policy has impacted administrators' ability to plan for the next school year. Further conversations focused on reasons selected by the parents (e.g., curriculum quality) and the acceptance period for geographic exceptions.

III. What are the recommendations?

- No recommended changes to the WSF.
- The Department should review the geographic exceptions procedures and practices, and propose amendments to improve schools' ability to implement their Academic Plans and Financial Plans.

Isolated Schools - Additional Funding

In April 2018, COW X designated eight isolated schools to receive \$250,000 per year over three years beginning FY 2019-20 as part of their WSF allocation. The schools are: Hana High & Elementary, Kau High & Pahala Elementary, Kaunakakai Elementary, Kilohana Elementary, Lanai High & Elementary, Maunaloa Elementary, Molokai High, and Molokai Middle.

I. What was the issue?

Should isolated schools receive additional WSF funding?

II. What was the discussion?

What are the isolated schools' plans to utilize the additional funds?

The COW XI reviewed survey responses by the isolated schools to the following questions:

- a. How was your school able to program the additional \$250,000 from the WSF Reserve?
- b. What items and activities were you able to budget for that would otherwise not have been possible?
- c. How do you anticipate these resources will impact outcomes for your students?
- d. How do you anticipate these resources will impact the employees at your school?
- e. Given the three-year commitment to maintaining this allocation of WSF Reserve funds, how would you anticipate adjusting school operations if the funding is not sustained beyond the third year?

Future COWs will be able to meaningfully evaluate the impact of additional funding on schools' students, staff, and operations.

III. What was the recommendation?

- COW XII should revisit this issue.

Attachments

- A. Hawai‘i Revised Statutes §302A-1303.5 Committee on Weights and §302A-1303.6 Weighted Student Formula (<http://bit.ly/2ksNMo3>)
- B. Public Written Testimonies (<http://bit.ly/2m4eSSE>)
- C. FY2019 Supplemental Operating Budget per ACT 053, SLH 2018, General Fund Only (<http://bit.ly/2kBKEGk>)
- D. Listing of Programs Included in Weighted Student Formula (WSF) as of FY2017 (<http://bit.ly/2kE1AvV>)
- E. History of the Weighted Student Formula and the Committee on Weights (<http://bit.ly/2m9SmYL>)
- F. Adequacy Definitions State Examples (<http://bit.ly/2kbQmyz>)
- G. Finance Systems Used Across States (<http://bit.ly/2kDEJQX>)
- H. Exploring Small School Sizes and “Enrollment Thresholds” (<http://bit.ly/2koMbQ5>)
- I. Hawai‘i Administrative Rules Title 8 Chapter 38 (<http://bit.ly/2k8NAtM>)

Attachment B

The following COW XI members contributed invaluable expertise and voluntarily participated in numerous topic discussions:

COW XI Members:

Member	Position and School/Office
Dr. Christina M. Kishimoto	Superintendent - Department of Education
Mitchell Otani	Principal - Kalani High School
Kristen Brummel	Director, Hawai'i Teacher Fellows Program at Hope Street Group
Erik Burkman	Principal - Kalāheo Elementary
Justin Carmichael	School Administrative Services Assistant - 'Ewa Makai Middle
Heather Dansdill	Principal - Hilo Intermediate
Chad "Keone" Farias	Complex Area Superintendent - East Hawai'i
Carl Hinson	Director, Workforce Development at Hawai'i Pacific Health
Justin Hughey	Teacher - Kamehameha III Elementary
Wendy Matsuzaki	Principal - King Intermediate
Gail Nakaahiki	Complex Area Business Manager - Kapa'a-Kaua'i-Waimea
Noel Richardson	Principal - Waimānalo Elementary & Intermediate
Katina Soares	Principal - Moloka'i High
Osa Tui	Registrar - McKinley High
Adam Tuifagu	Teacher - Kalaniana'ole Elementary & Intermediate
Malaea Wetzel	Principal - Hale'iwa Elementary



Attachment C

Supplementary Recommendations

The following chart provides a summary of aforementioned COW XI programs' findings and recommendations including deliberations.

Topic	Finding and/or Recommendations
1. Adequacy	Seek funding for an adequacy study, and convene a workgroup to determine a plan of action. Generate a policy position.
2. Small School Equity	Review Hawai'i Administrative Rules that deal with the consolidation of public schools. Focus on establishing a threshold enrollment level for viable schools.
3. Teacher Recruitment and Retention	Continue and expand efforts underway outside of the WSF to address this issue. Do not make changes to WSF to attempt to address this challenge.
4. Hawaiian Language Immersion Program (HLIP)	Do not move HLIP into the WSF. Consider doing so in the future if it supports the interest of meeting student demand. Encourage HLIP to consider providing start-up grants in a clear and predictable way.
5. Tentative to Official Enrollment	Maintain current practice of allocation adjustments based on updated calculations using Official Enrollment Count data.
6. Title I funding	Conduct research to address if qualifying elementary schools may be prioritized for Title I funding to close the achievement gap at the elementary school level.
7. Academic Plan and Financial Plan	Strive to release both templates at the same time, ensure alignment, and create a working group to determine best practices for both documents.
8. Geographic Exception	Review Geographic Exception procedures and practices. Propose amendments to improve schools' ability to provide equitable access to school design models.
9. Isolated Schools - Additional Funding	Evaluate impact of COW X decision during 2020-2022 school years and revisit during COW XII.