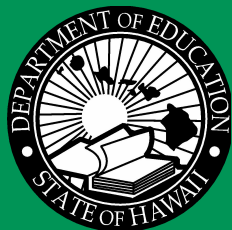


Oct. 2026



HAWAII STATE

Department of Education

School-Based Budgeting Annual Financial Plan Overview

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Engagement Branch



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Understanding your school's financial plan: A guide for School Community Council members

This slide deck provides an overview of the Financial Plan that each school within the Hawai'i State Department of Education (HIDOE) completes annually for the following school year, as it relates to your School Community Council (SCC). This information will help you understand the Financial Plan and its process, allowing you to provide input and recommendations.

What is the Financial Plan?

The Financial Plan is an annual plan developed by the principal, in collaboration with the school's faculty, staff, and the SCC. It's a comprehensive document outlining how the school will use all anticipated resources for the upcoming year, ensuring alignment with the school's Academic Plan.

What is your role in the Financial Plan process?

Your role as a member of your school's SCC is to **review the Financial Plan draft, provide input and make recommendations** to your principal or recommend its approval by the Complex Area Superintendent (CAS).



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Key details for your role:

- **Your involvement is critical.** SCC members provide input on how the school's funds will be used.
- **All anticipated funds should be included.** The Financial Plan should cover projected funds from all sources (general categorical, federal, special, and trust), though it does not guarantee the final allocated amount from these programs.
- **The plan is electronic.** The Financial Plan is completed and submitted annually in the **eHR system**.



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What else do I need to know about the Financial Plan?

Financial Plan Sections

The Financial Plan is organized into sections that align with the Department's 2023-2029 Strategic Plan:

- **High-Quality Learning for All (LRN):** includes teachers and other classroom-related costs.
 - Example: Classroom supplies and computers for students.
- **High-Quality Workforce (WKF):** includes professional development for staff.
- **Effective Operations (OPS):** includes office staff and operational needs.
 - Example: Principal and SASA salaries, custodial staff and supplies, office supplies, subscriptions.
- **Possible Additional Funds (POSS):** for planning purposes only.
 - Example: Used to respond to legislative inquiries and shares how the school would apply possible additional funds.



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Understanding the Weighted Student Formula (WSF)

The Weighted Student Formula (WSF) is the method that HIDOE uses annually to allocate over \$1 billion in state general funds for school operations. It is designed to be a transparent and equitable system that distributes money based on the specific needs of a school's students.

- **How it works:** The WSF calculates a school's budget based on student characteristics, such as grade level or English language learner status.
- **Enrollment adjustments:** A school's WSF allocation isn't final at the beginning of the year. The allocation is adjusted multiple times to account for changes in student enrollment throughout the school year.

Understanding Average Salaries

To simplify planning, HIDOE uses average salaries to determine the cost of positions. This ensures decisions are not based on individual salaries.



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The Two-Step Financial Plan Process

The Financial Plan is completed in two distinct steps to ensure staffing decisions are finalized before other spending plans.

Step 1: Salaried Financial Plan

This step focuses on the school's **WSF and Special Education Per Pupil Allocation (SPPA) funded positions**.

- **Timeline:** The process **begins in early November**, with a submission deadline to the Complex Area Superintendent (CAS) in **December**.
- **What is included:** Your school must submit a plan with **all required WSF and SPPA-funded personnel** for the upcoming school year.
- **Finalization:** Once approved by the CAS, all salaried positions become **final**. These are then used by the Office of Talent Management (OTM) to establish or abolish positions.



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The Two-Step Financial Plan Process

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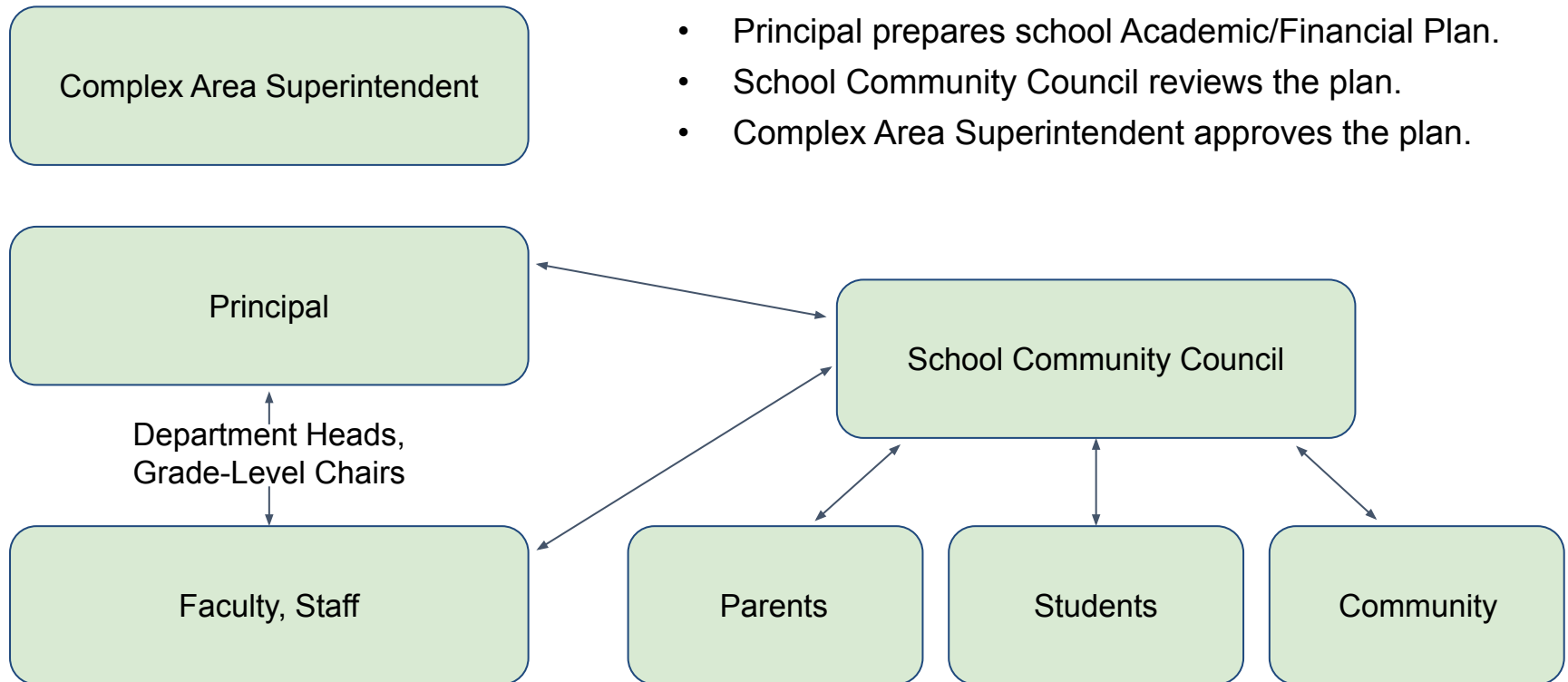
Step 2: Comprehensive Financial Plan

This step adds all non-salaried cost items to the approved salaried plan.

- **Timeline:** The Comprehensive Financial Plan is due to the CAS in **late March/early April**.
- **What is included:** This plan includes the previously approved salaried portion (which **cannot be changed**) and all **non-salaried cost items** (e.g., supplies, contracts).
- **Finalization:** When the CAS approves this plan, it becomes the **final, approved Financial Plan** for the school.



School Financial Plan Process Framework



Act 221, amending Act 51, Session Laws of Hawai'i 2004; Section 302A-1124, Hawai'i Revised Statutes)

School budget process is open, democratic and collaborative.



Hawai'i Revised Statutes: School Community Councils

§302A-1124 Mandate to initiate School Community Councils. (a) The department, through the board and its Superintendent, shall establish a School Community Council system under which each public school, excluding charter schools, shall create and maintain a School Community Council. Each School Community Council shall:

- 1) Review and evaluate the school's academic plan and financial plan, and either recommend revisions of the plans to the principal, or recommend the plans for approval by the Complex Area Superintendent;
- 2) Ensure that the school's academic and financial plans are consistent with the educational accountability system under section 302A-1004;...
- 3) Provide collaborative opportunities for input and consultation.
- 4) Complex Area Superintendents may require revisions to a school's academic and financial plans if the plans are in violation of law or conflict with statewide educational policies and standards, or are otherwise in the best interests of the school....
- 5) The principal shall have the authority to set aside any decision made by the School Community Council if the principal determines it to be in the best interests of the school; provided that the principal notifies the School Community Council. If the School Community Council opposes a decision of the principal, an appeal shall first be brought to the Complex Area Superintendent for resolution and, if necessary, to the Superintendent and, finally, to the Board of Education.
- 6) Complex Area Superintendents shall assist the School Community Councils and principals within their respective complex areas in:
 - a) Obtaining the support and services of the department; and
 - b) Ensuring the progress and success of the school's academic and financial plan. [L 1996, c 89, pt of §2; am L 2004, c 51, §25 and c 221, §11; am L 2005, c 174, §1; am L 2006, c 298, §11]



Article XIX, Hawai'i State Teachers Association contract (for reference)

ARTICLE XIX - ACADEMIC AND FINANCIAL PLAN / SCHOOL-BASED BUDGETING

- A. The Board and the Association believe in the participation of teachers in school-level decision-making and creation of the Academic and Financial Plan. The parties, therefore, support the concept of School-Based Budgeting to further expand collaborative decision-making and empowerment at the school level. School-Based Budgeting is the process established by law to provide all schools flexibility in the school-level budgeting process. Schools will be able to utilize funds in a manner to best meet their particular needs
- B. In support of the implementation of School-Based Budgeting, the parties agree that training is essential and shall be provided for the understanding and proper management of the budgetary process.
- C. **The school-level budgeting process shall be open, democratic and collaborative.** Each school shall have a School-Based Budgeting process established by the principal and teachers and understood by all. Teachers shall share in decisions regarding School-Based Budgeting.
- D. Definitions:
 - 1. Open: The budgeting process timeline shall be shared no later than September 15 of the school year. The budgeting process includes information regarding the following:
 - a. How much money a school receives
 - b. How the school plans to spend the money (Including but not limited to the breakdown for the cost of teaching positions, support positions, classroom supplies, programs, etc.)
 - c. How the money was spent (Including but not limited to the breakdown for the cost of teaching positions, support positions, classroom supplies, programs, etc.) Individual teachers may have access to the budget information but must use the school's established budgeting process.
 - 2. Democratic: All faculty members have an opportunity to participate in the established budgeting process.
 - 3. Collaborative: The administrator and faculty members involved in the budgetary process shall work together in a spirit of cooperation regarding budgetary decision-making.
- E. **Should no agreement be reached, the principal shall make the final decision.**
- F. The Association Policy Committee (APC) shall support teacher participation in the School-Based Budgeting process.



School-based budgeting: Audio and video training materials

[Brief on School Community Councils and Annual Financial Plans](#)

(Audio) 1 minute 38 seconds

[The Collaboration Dynamic: Balancing Community Input and Principal Authority](#)

(Video) 4 minutes 36 seconds