

CHARTER SCHOOLS OPERATING BUDGET FOR FISCAL BIENNIUM 2007-09

| DESCRIPTION | FY 2007-08 | FY 2008-09 |
|--|--------------|------------|
| <p>Current Operating Budget Ceiling: This is the current funding level for charter schools adjusted by the Department of Budget and Finance for estimated collective bargaining costs in Fiscal Years (FY) 2007-08 and 2008-09. This ceiling is inclusive of \$42,612,762 for charter school operations allocated on a per pupil basis and \$1,669,381 for estimated collective bargaining costs for charter school employees paid through the Department of Education's system.</p> | \$44,282,143 | 44,282,143 |
| <p>Current Service Adjustment: Applying the provisions of law, section 302B-12(a), Act 298, Session Laws of Hawaii (SLH) 2006, for estimated enrollment increases and changes in the funding base based on the Department of Education's most recently published Comprehensive Annual Financial Report for FY 2004-05 yields the increase in funding being requested. Most of this increase is due to projected increases in enrollment. The revised funding equates to a per pupil funding amount of \$6,969.78 for both fiscal year 2007-08 and 2008-09. The current per pupil funding amount is \$6,940.33</p> | 3,499,302 | 6,384,791 |
| <p>Operations Funding for Three Additional Start-Up Charter Schools: Section 302B-4, Act 298, SLH 2006, provides that a new start-up charter school may be authorized by the Charter School Review Panel and the Board of Education for each existing start-up charter school that receives a three year or longer accreditation from the Western Association of Schools and Colleges or a comparable accreditation authority. Currently three start-up charter schools have received such accreditation (Kihei, Myron B. Thompson Academy, and West Hawaii Explorations Academy).</p> | 2,152,389 | 2,152,389 |

Funding for this request is contingent upon the actual approval of the new start-up charter schools. This request includes funding only for the operational costs for the potential new start-up schools. The operational costs have been calculated by estimating an average enrollment of 100 students for each of the potential new start-up charter schools and funding this enrollment at the same per pupil rate as that requested for the existing charter schools.

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| <p>Grievance Process Funding: Section 302B-8(e)(4), Act 298, SLH 2006, requires the Charter School Administrative Office (CSAO) to include in its budget request additional funds to cover the costs of arbitration in the grievance process. The CSAO has been informed by the State Attorney General's Office that these costs are estimated to be \$40,000 per year.</p> | 40,000 | 40,000 |
| <p>Substitute Teacher Funding: Section 302B-8(e)(2), Act 298, SLH 2006, requires the CSAO to include in its budget request to the legislature additional funds to cover the costs of substitute teachers needed when a teacher is out on vacation or sick leave. This cost has been estimated by polling the schools regarding their most recent experience and extrapolating that data using projected enrollments. The per diem rate for substitutes used in this estimate is \$136.</p> | 330,000 | 350,000 |
| <p>Start-Up Funding for Three Additional Start-Up Charter Schools: New schools have funding needs above and beyond the operational costs for an existing school. New schools must buy full sets of textbooks for all grade levels, stocks of classroom supplies, office supplies, furniture and fixtures for classroom and office use, etc. These costs are one-time in nature. Once the original stock of textbooks, supplies, and furniture are purchased, operational funds can be used to replace and repair existing items. The conservative estimate by the CSAO is that each new start-up school will incur approximately \$500,000 in these types of costs.</p> | 1,500,000 | |
| Total: Charter Schools Budget Request | <u>\$51,803,834</u> | <u>\$53,209,323</u> |