



# HAWAI'I EDUCATIONAL POLICY CENTER

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## Perspectives #5 An Update on the Weighted Student Formula

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*[Perspectives are quick takes on Reinventing Education (Act 51) issues that are in transition. These issues will be revisited periodically as new developments warrant.]*

On June 29, 2005, the Board of Education's Ad Hoc Oversight Committee on the Reinventing Education Act of 2004 voted to recommend to the full Board for action the major provisions of the Committee on Weights/DOE's weighted student formula plan.

In this plan to be implemented in SY 06–07, approximately \$771 million or 48% of the DOE operating budget will be distributed by WSF. This 48% is broken down as follows:

Lump Sum Programs <sup>1</sup>	30%
ESLL, GT, PCNCs etc.	2%
Lump Sum Employee Fringe Benefits	10%
Comprehensive Student Support Services	3%
Custodial, Classroom Cleaners, Minor R&M, Telephone	3%

Another 24% of the DOE's operating budget (approximately \$410 million that will be distributed to schools in positions rather than dollars) will fund state and federal categorical programs. This meets and even exceeds the legislative mandate in Act 51 of 70% expenditure by principals at the school level. Yet, principals will have discretionary spending control over 48%, further reduced to 38% when lump sum employee fringe benefits are removed (categorical funds/programs must be spent in specific ways).

Weights are over and above the basic per student allocation; in SY 04–05 this basic allocation was \$3835 per student. The dollar amount is determined by taking the total funds put into the WSF, subtracting the dollar amounts of all school adjustments and student weights, and dividing the difference by the total number of students in DOE public schools (excluding charter schools and six special/unusual schools identified later in this article).

### **Weights:**

1. **Economic Disadvantage**—A weight of 0.10 will be given to students who qualify for free or reduced lunch. The weight is in addition to Title I funds that go to schools with 35% or more

economically disadvantaged students. The value of this weight is about \$380 per economically disadvantaged student (using SY 2004–05 numbers).

2. **ESLL**—A weight of 0.26 will be given to English as a Second Language Learners. This weight was based on dividing the \$12.5 million state appropriation for ESLL (\$10 million plus fringes) by the number of ESLL students (12,377 in SY 03-04). The value of this weight is about \$1000 per ESLL student.

3. **Transiency**—A weight of 0.025 will be given to transient students, those who enroll in school after the school year has begun and continue through the end of the school year. About 10% of the total student population qualifies for this weight. The value of this weight is about \$95 per transient student.

4. **Multi-Track School Students**—The DOE believes the additional cost per student in a multi-track school is the cost of the additional 12-month vice principal currently allocated to each multi-track school (over and above the present “formula” allocation of vice principals) plus an allocation of \$10 per student for the additional custodial cost of moving teachers in and out of classrooms and the overtime or outside contracting of deep cleaning during the short time the school is not in session. The assigned weight of 0.0025 is valued at about \$9.50 per student. DOE figures show this additional allocation to multi-track schools will be as follows:

Holomua Elementary	\$112,000
Kapolei Elementary	\$109,000
Kapolei Middle	\$114,000
Mililani Middle	\$116,000

5. **K-2 Students**<sup>2</sup>—Based on an Act 51 mandate and appropriation of \$2.143 million for 75 FTE regular elementary teachers to reduce class size in grades K–2, the DOE believes a weight of 0.12 should be assigned with a dollar value of \$460 per K–2 student.

6. **Elementary School Students**—A weight of 0.019 will be given to elementary school students (K–5 students in combination schools) so that elementary schools in the aggregate will neither gain nor lose funding. The value of this weight is about \$120 per elementary school student.

7. **Middle School Students**<sup>3</sup>—a weight of 0.055 will be given to middle school and intermediate school students (grades 6-8 students in combination schools) so that these schools in the aggregate neither gain nor lose funding. The value of this weight is about \$240 per middle school student.

8. **High School Students**—No weighting will be given to high school students since high schools in the aggregate will gain funds under WSF even with no additional weighting.

9. **Combination School Students**—Combination school students in K–5 will receive the elementary weight, and those in 6–8 will receive the middle school weight.

10. **Geographical Isolation**—A weight of 0.005 will be given to students on Molokai and Lanai with a value of about \$19 per student. A weight of 0.0025 will be given to students in Hana with a value of about \$9.50 per student.

**School Adjustments:**

1. **Small School**—Since smaller schools have higher per-student costs than larger schools, these schools will be given a small school adjustment. Some of the funds to subsidize small schools will come from reducing the per-student allocations to very large schools.

The following enrollment thresholds have been established<sup>4</sup>:

Elementary Schools	400-800
Middle Schools	700-1100
High Schools	1150-1850
K-8 Schools	400-1100
K-12 Schools	400-1850
7-12 Schools	700-1850

Schools falling below the enrollment thresholds will receive a \$400 per student adjustment. For instance, an elementary school with an enrollment of 300 will receive an adjustment of \$40,000 (100 students below the threshold times \$400). Schools above the threshold levels will receive a per student deduction of \$400. For instance, a high school with an enrollment of 2000 will have a \$60,000 deduction (150 students above the threshold times -\$400).

The DOE believes this methodology will result in a subsidy to small schools of about \$7 million. A portion of the subsidy (about \$3 million) will be provided by the large schools with the balance of the subsidy provided by all schools.

**Implementation:**

The DOE is mandated by Act 51 to provide supplementary allocations for three years beginning in SY 06-07 to schools whose budgets will be adversely affected by the WSF. The DOE will phase in both losses and gains over this three year period.

**Other Provisions in the COW/DOE Weighted Student Formula Plan:**

1. Four student activity programs (Program ID 27036, 27042, 27445, 27886) have been taken out of the lump at the request of the Ad Hoc Committee. These programs total \$237,000 with an additional \$1000 in allocated fringes.

2. The A-plus program funds (approximately \$6 million in FY 04-05) have been removed from WSF since this amount covers only some of the total A-plus program costs. The other costs are covered by a grant from the Department of Human Services and by program fees.

3. Because of unique school and/or student characteristics, the DOE has removed six schools from WSF: Hawaii Center for the Deaf and Blind, Jefferson Orthopedic School, Pohukaina School, Keanae School, Olomana School and Niihau School. These schools will continue to receive funding under the traditional allocation system. If and when additional programs (specifically special education) are included in WSF, the decision to remove these schools will be reviewed.

4. School safety managers will be added to the WSF since school security attendants (Program ID 36172) are included in WSF. The safety managers program amounts to \$2 million.
5. Approximately \$17 million in program costs are not currently spent at the school level, but they have been included in the WSF. The DOE has removed these centrally-controlled funds from the WSF. More information is needed.
6. Average salaries rather than actual salaries will be used in the WSF.
7. Since funding will follow the student, each school's WSF allocation will be adjusted at the beginning of the second semester based on enrollment changes between the fall cut-off date and the end of the first semester.
8. Other WSF issues include the impact of the WSF on Hawaiian students, the exclusion/inclusion of athletic programs (they are currently categorical), a possible cap on the percentage of loss any school can incur (137 students will lose funding and 115 will gain under the WSF. Some of the cuts will be drastic.), the inclusion of the athletic director position (this position is currently not in the WSF), and further consideration of a weight for military dependents/mobile students.

**Conclusion:**

The DOE hopes the full Board of Education will adopt the Ad Hoc Committee's recommendation no later than August, but hopefully this month (July, 2005). The committee's recommendation allows the Superintendent of Schools to recommend to the BOE adjustments to the WSF to reflect the most current data.

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1 About 90% of the 30% lump sum programs money will go to employee salaries.

2 This weight differs from the COW recommendation of 0.20. The COW's recommendation was based on the DOE's calculation that 20% more teachers will be needed to achieve a class size of 20 in grades K-2. The DOE now says, "If classroom teachers are approximately 60% of the WSF costs, then a 20% increase on 60% of the costs should result in a weight of 0.12." However, the classroom teacher costs, it seems, does not include fringes.

3 BOE Policy #4502 (Middle Level Education Promotion) has not been fully implemented; full implementation may require more resources.

4 The DOE selected these ranges because approximately 25% of elementary schools are smaller than 400 students and approximately 25% are larger than 800 students. Similarly, about 25% of middle schools are smaller than 700 students and 25% are larger than 1100. Approximately 25% of high schools are smaller than 1150 and 25% are larger than 1850. The 400 student minimum for elementary schools is applied to combination schools that include elementary level, and the 700 student minimum for middle schools is applied to combination schools that include middle level. The 1100 student maximum for middle schools is applied to combination schools that do not include a high school, and the 1850 student maximum for high schools is applied to combination schools that include high school level.