



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

LEGISLATIVE REPORT

SUBJECT: Requesting the Board of Education (the “Board”) provide the Legislature a report on the findings and recommendations of the evaluation of the feasibility of whether the fees charged for children participating in the After-School Plus Program (“A+ program”) should be set on a sliding scale based on the income of an enrolled child’s family, number of children enrolled from the same family, or other factors intended to generate additional revenues for the program in an equitable and efficient manner without discouraging enrollment.

REFERENCE: Section 129, Act 119, Session Laws of Hawaii (“SLH”) 2015

ACTION REQUESTED: Report to the 2016 Legislature.

DOE REPORT: This report provided by the Board presents the findings and recommendations of the evaluation and actions taken on the A+ program fee amounts pursuant to Act 119, SLH 2015, section 129.

FINDINGS In 2011, the Board set a flat monthly fee of \$85 per child for the A+ program to reflect the actual costs to operate a self-sustaining A+ program. Prior to the implementation of the flat fee, the program was offered to families of public elementary school students for a \$55 monthly fee for the first child in each family with a sliding scale for siblings. State general fund appropriations subsidized the cost of the program, and at one time state subsidies accounted for two-thirds of the program cost, or \$9.3 million in school year 1995-1996. However, the A+ program has not received general fund appropriations to support its operations since Fiscal Year 2010.

At its November 17, 2015 General Business Meeting, the Board adopted fee increases for the A+ program recommended by the Department of Education (the “Department”) in consultation with private providers. The fee increases were to address rising operational program costs and fiscal impacts from upcoming minimum wage increases pursuant to Act 82, SLH 2014. The flat rate fee schedule initially increases the rate to \$100 per month per child effective July 1, 2016 and subsequently increases the rate to \$110 per month per child effective July 1, 2017 and \$120 per month per child effective July 1, 2018. The flat rate fee schedule assumes a subsidy paid by the Department of Human Services (“DHS”) for qualifying families that meet income requirements and does not assume tiered pricing.

Nationwide, afterschool programs charge between a low of \$192 per month and a high of \$480 per month for afterschool programs.

Comparatively, the cost of the A+ program after the current fee increase is still reasonable.

To develop a sliding scale of tiered pricing, the Board would need to substantially increase the current fee schedule so that the higher tiers can cover the lower fees charged in the lower tiers in order to ensure the A+ program remains self-sustainable. Further, a sliding scale would be an administrative burden for the Department, DHS, and private providers.

FUTURE ACTIONS The Board believes the recently adopted flat rate fee increases per child for the A+ program are sufficient to ensure program self-sustainability at a reasonable cost for all parents while minimizing negative impacts on enrollment. The Board does not recommend further action on a sliding scale for A+ program fees at this time.