



LATE

April 10, 2013
3:00 p.m.
Conference Room 308; Agenda #1

TESTIMONY TO
THE HOUSE COMMITTEE ON FINANCE

RE: HCR 119

Chair Luke, Vice Chairs Nishimoto and Johanson and members of the committee,

My name is Robert Witt and I am executive director of the Hawaii Association of Independent Schools (HAIS), which represents 99 private and independent schools in Hawaii and educates over 33,000 students statewide.

HAIS supports HCR 119 which requests the Executive Office on Early Learning, in consultation with the Department of Budget and Finance, to conduct a study on the feasibility of using social impact bonds to fund early learning programs and services in the state.

Research demonstrates that children who participate in early learning programs are more likely to succeed in kindergarten and beyond. Quality programs have immediate and long term benefits not only for the children, but also for the societies in which they live. Thus, it is important to provide an opportunity for all children to attend early learning programs. However, mostly due to economic constraints, not all families in Hawaii are able to send their children to early learning programs.

This measure may lead to another source to fund a state run early learning program in Hawaii. Currently, Hawaii is one of only 11 states that does not have a state-supported preschool program. Given the existing economic conditions, our state must look at innovative ways such as the funding mechanism in this resolution. For these reasons we strongly urge you to pass HCR 119 so that we may better understand the feasibility of using a social impact bond in order to fund an early learning program in Hawaii.

Thank you for the opportunity to testify.

LATE



April 10, 2013

TO: Chair Sylvia Luke
Vice-Chair Scott Nishimoto
House Committee on Finance

FROM: Deborah Zysman
Good Beginnings Alliance

RE: **Support for HCR 119/ HR90** : REQUESTING THE EXECUTIVE OFFICE ON EARLY LEARNING, IN CONSULTATION WITH THE DEPARTMENT OF BUDGET AND FINANCE, TO CONDUCT A STUDY ON THE FEASIBILITY OF USING SOCIAL IMPACT BONDS TO FUND EARLY LEARNING PROGRAMS AND SERVICES IN THE STATE.

The Good Beginnings Alliance **supports HCR119/ HR90**, which requests the Executive Office on Early Learning, in consultation with the Department of Budget and Finance, to oversee a study on the feasibility of using social impact bonds as a means to assist with funding early childhood learning in Hawaii. The Good Beginnings Alliance (GBA) is a policy and advocacy organization focused on ensuring that Hawaii's young children are healthy, safe, and ready for school. We strive to support our stakeholder community to this end, as well as provide relevant information to our families and fellow advocate community.

Social impact bond (SIB) financing is an alternative system of funding particular social services that normally are the exclusive responsibility of the state. The advantage being that the state is not contributing the upfront funding for investment and is instead benefiting from structured and regulated investment from private and philanthropic investors. The return on investment, in the case of education, comes in part from a state's savings from decreases in special education rates between Kindergarten and 12th grade.

Case studies exist that have employed SIBs effectively to address youth recidivism (New York), homelessness (Massachusetts), workforce development (Minnesota) and school performance (Pennsylvania). Two of the key advantages of this financing mechanism include: 1) it mobilizes private capital to scale up programs states cannot afford to expand themselves, reducing taxpayers' financial risk, and 2) it also requires rigorous measurement of results (Considerable research has been undertaken by ReadyNation, a partnership of business and education leaders, to develop SIBs financing specifically for early childhood programs).

We see this measure as a creative and useful step in the broader context of funding a statewide early learning system. Thank you for the opportunity to submit testimony in support of HCR119/HR90.

LATE

HCR119

Submitted on: 4/9/2013

Testimony for FIN on Apr 10, 2013 15:00PM in Conference Room 308

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Katherine E. Murphy | Hawaii AEYC | Support | No |

Comments:

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LATE

HCR119

Submitted on: 4/10/2013

Testimony for FIN on Apr 10, 2013 15:00PM in Conference Room 308

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|--------------------------|---------------------------|---------------------------|
| Deborah Zysman | Good Beginnings Alliance | Support | No |

Comments:

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