



LATE

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

Date: 03/28/2019
Time: 10:20 AM
Location: 211
Committee: Senate Ways and Means

Department: Education

Person Testifying: Dr. Christina M. Kishimoto, Superintendent of Education

Title of Bill: HB 1524, HD1, SD1 RELATING TO THE DEPARTMENT OF EDUCATION BUDGET.

Purpose of Bill: Appropriates funds for the fiscal biennium 2019-2021 operating budget Department of Education programs. Effective 7/1/2055. (SD1)

Department's Position:

Chair Dela Cruz, Vice Chair Keith-Agaran, and committee members:

Thank you for the opportunity to testify on behalf of the Department of Education (Department) in support of House Bill 1524, HD1, SD1, which appropriates funds for the operating expenses of the Department for Fiscal Biennium (FB) 2019-21. We understand that this measure deletes the contents of the previous version (HB 1524, HD1) and inserts the contents of SB 90, SD2.

The Department is appreciative of the fiscal support contained in this measure that addresses the Department's strategic priority areas to implement high-impact strategies of School Design, Teacher Collaboration, and Student Voice.

In light of the recent passage of HB2, HD1, SD1, CD1 (HB2, CD1), The Department also has the following concerns in gaps between the SB90, SD2 and HB2, CD1 and has outlined the differences below as well as on the attached table (Attachment 1).

Restoration of General Fund Base Budget

A key part of the Department's budget development for FB 2019-21 involves trade-off/transfer adjustments to realign the existing base budget and make optimal use of current resources in alignment with strategic and operational priorities. This prioritization of funds within the base budget exhibits how the Department intends to fund specific priorities and to reflect transparency to the Legislature and all stakeholders in how we plan to expend the funds to accomplish these goals.

The current version of the General Appropriations Act of 2019 (HB 2, CD1) approved only part of our realignment adjustments which resulted in a **reduction to our general fund base budget of over \$10 million** in each year of FB 2019-2021. In addition, items that were not considered non-recurring in the Executive budget request are now considered non-recurring in

HB2, CD1 which resulted in an additional **reduction of \$3,900,864 to our general fund base budget.**

In total, the Department's base budget has been **reduced by about \$14 million.** As such, we respectfully request that the committee restore these amounts to our base budget as reflected in the attached table (Attachment 1) in this measure. Keep in mind, most of the positive amounts in this section have corresponding negative amounts that were approved as part of HB2, CD1.

The Department's general fund base budget is the fiscal foundation to ensure equitable access to quality education for all public school students. Moreover, the Department's requests for positions and funds, as detailed below, targets strategic priority areas to advance the Department's work in the area of innovation and empowerment for equity, access, and quality.

Level 1 Priorities

The trade-off/transfer adjustments noted previously are not requests for additional funding but are a reprioritization of the current base budget. Many of these adjustments coincide with the Department's requests for new Full-Time Equivalent (FTE) positions that will be funded with realigned resources:

- 166.00 FTE permanent positions for Applied Behavioral Analysis;
- 3.00 FTE permanent positions for the Office of Hawaiian Education;
- 1.00 FTE permanent education specialist for Early College;
- 1.00 FTE permanent English Language Learners Program education specialist for compliance and program implementation;
- 1.00 FTE permanent administrative assistant position for the Office of Curriculum and Instructional Design; and
- 1.00 FTE permanent administrative services assistant position for the Office of Student Support Services.

The realignment and reprogramming further reduced the Department's request for incremental funding in key areas that could not be addressed by reprogramming:

- 3.00 FTE permanent positions and \$911,486 in FY20 and \$1,041,560 in FY21 requested for leadership development stability; and
- \$5,000,000 requested for electric utilities energy cost adjustment charge.

The Department respectfully requests that the committee reconsider including these high priority items in this measure, and the additional amounts required to satisfy these Level 1 requests are reflected in the attached table (Attachment 1).

Level 2 Priorities

The Department respectfully requests that the committee reconsider including the following Level 2 requests in this measure, and the additional amounts required to satisfy these requests are reflected in the attached table (Attachment 1).

- \$6,000,000 requested for support for school facility service and maintenance contracts;
- \$1,000,000 requested for air conditioning repair;
- 4.00 FTE permanent positions and 4.00 FTE temporary positions and \$158,757 in FY20 and \$317,513 in FY21 requested for payroll system support staff; and
- 1.00 FTE permanent positions and \$45,199 in FY20 and \$90,398 in FY21 for BOE Analyst II.

Further Comments

We also note that HB 2, CD1 provides appropriations for budget items already included in this measure:

- 3.00 FTE permanent positions for Special Education and Student Support Services;
- \$2,000,000 for workers compensation payments;
- 3.00 FTE permanent positions and \$350,896 in FY 20 and 3.00 FTE permanent positions and \$444,832 in FY 21 for leadership development and support;

The Department defers to the Executive Office on Early Learning with respect to adjustments made to their proposed FB 2019-2021 budget and provides no comment for their program. We also note a technical comment for your consideration. The program titles used next to each EDN/Org Code reflect the higher level Program I.D. title used in the statewide program structure and not the title at the org-code level.

By realigning and reprogramming our current resources in our base operating budget, the Department formulated a budget that we believe is transparent, reasonable and sustainable. The Department's next decade of work will require operational, policy, financial, and community partnership support. As the budget makes its way through the legislative process, we look forward to working with the Senate Committee on Ways and Means on shaping the future for quality education for our students.

We appreciate the opportunity to testify and will be available to answer any questions.

The Hawaii State Department of Education seeks to advance the goals of the Strategic Plan which is focused on student success, staff success, and successful systems of support. This is achieved through targeted work around three impact strategies: school design, student voice, and teacher collaboration. Detailed information is available at www.hawaiipublicschools.org.



HB1524 SD1 Attachment.pdf

**FB 19-21 BIENNIUM BUDGET
ADDITIONAL GENERAL FUND AMOUNTS FOR HB1524 HD1 SD1 TO RESTORE REQUESTS
DEPARTMENT OF EDUCATION**

Prog ID/Org	Dept Pri	Description	AMOUNTS NEEDED IN ADDITION TO WHAT IS IN HB1524 SD1					
			FY 20			FY 21		
			FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
TRADE-OFF/TRANSFER & CONVERSION OF UNBUDGETED POSITIONS REQUESTS:								
EDN100	1	TURNOVER SAVINGS ADJUSTMENT (REALIGNMENT) - 1	-	-	201,803	-	-	201,803
EDN300/KO	4	TURNOVER SAVINGS ADJUSTMENT (REALIGNMENT) - 4	-	-	25,414	-	-	25,414
EDN100/BJ	5	TURNOVER SAVINGS ADJUSTMENT (REALIGNMENT) - 5	-	-	9,455	-	-	9,455
EDN100	6	TURNOVER SAVINGS ADJUSTMENT (REALIGNMENT) - 6	-	-	53,884	-	-	53,884
EDN100	8	TURNOVER SAVINGS ADJUSTMENT (REALIGNMENT) - 8	-	-	487,959	-	-	487,959
EDN300	9	TURNOVER SAVINGS ADJUSTMENT (REALIGNMENT) - 9	-	-	6,471	-	-	6,471
EDN300	11	TURNOVER SAVINGS ADJUSTMENT (REALIGNMENT) - 11	-	-	28,010	-	-	28,010
EDN100/BJ	12	TURNOVER SAVINGS ADJUSTMENT (REALIGNMENT) - 12	-	-	21,009	-	-	21,009
EDN300	13	TURNOVER SAVINGS ADJUSTMENT (REALIGNMENT) - 13	-	-	95,592	-	-	95,592
EDN300/UA	14	TURNOVER SAVINGS ADJUSTMENT (REALIGNMENT) - 14	-	-	6,351	-	-	6,351
EDN300/UA	15	TURNOVER SAVINGS ADJUSTMENT (REALIGNMENT) - 15	-	-	6,038	-	-	6,038
EDN700/PK	16	TURNOVER SAVINGS ADJUSTMENT (REALIGNMENT) - 16	-	-	(153,916)	-	-	(153,916)
EDN300	16	TURNOVER SAVINGS ADJUSTMENT (REALIGNMENT) - 16	-	-	153,916	-	-	153,916
EDN150	17	TURNOVER SAVINGS ADJUSTMENT (REALIGNMENT) (ABA Program) - 17	-	-	(1,800,183)	-	-	(1,800,183)
EDN150/VA	17	TURNOVER SAVINGS ADJUSTMENT (REALIGNMENT) (ABA Program) - 17	-	-	1,800,183	-	-	1,800,183
EDN150/SA	18	TURNOVER SAVINGS ADJUSTMENT (REALIGNMENT) (Skilled Nursing) - 18	-	-	7,608,587	-	-	7,608,587
EDN100/BX	19	TURNOVER SAVINGS ADJUSTMENT (REALIGNMENT) (Teacher License Fees) -	-	-	575,000	-	-	575,000
EDN200/GD	21	TURNOVER SAVINGS ADJUSTMENT (REALIGNMENT) (School Climate and Student Safety Initiatives) - 21	-	-	155,000	-	-	155,000
EDN300/KD	22	TURNOVER SAVINGS ADJUSTMENT (REALIGNMENT) (Operating Funds - Risk Mgr) - 22	-	-	2,000	-	-	2,000
EDN300/KC	23	TURNOVER SAVINGS ADJUSTMENT (REALIGNMENT) (BOE Office Support) -	-	-	57,158	-	-	57,158
EDN300/KD	24	TURNOVER SAVINGS ADJUSTMENT (REALIGNMENT) (Internal Audit hotline services) - 24	-	-	10,000	-	-	10,000
EDN400/OC	25	TURNOVER SAVINGS ADJUSTMENT (REALIGNMENT) (Lease Rent - Dole Cannery) - 25	-	-	185,000	-	-	185,000
EDN400/OC	26	TURNOVER SAVINGS ADJUSTMENT (REALIGNMENT) (DOE Emergency Operations/Continuity of Operations Plan) - 26	-	-	190,000	-	-	190,000
EDN700/PK	27	TURNOVER SAVINGS ADJUSTMENT (REALIGNMENT) (Executive Office on Early Learning Operations) - 27	-	-	(4,200)	-	-	(4,200)
EDN700/PK	27	TURNOVER SAVINGS ADJUSTMENT (REALIGNMENT) (Executive Office on Early Learning Operations) - 27	-	-	4,200	-	-	4,200
EDN100/AB	28	IMPACT AID - TRANSFER TO EDN150/FA	-	-	(36,318)	-	-	(36,318)
EDN200/GH	29	TRANSFER FUNDS FROM EDN300/KO	-	-	153,000	-	-	153,000
EDN300/KD	30	TRANSFER FUNDS FROM EDN200/GD	-	-	104,158	-	-	104,158
EDN300/KF	31	TRANSFER FUNDS FROM EDN300/KO	-	-	91,909	-	-	91,909
EDN300/KO	32	TRANSFER FUNDS FROM EDN200/GC	-	-	56,148	-	-	56,148
EDN400/OC	35	TRANSFER FUNDS FROM EDN200/GG	-	-	41,640	-	-	41,640
TOTAL TRADE-OFF/TRANSFERS			-	-	10,135,268.00	-	-	10,135,268.00

			AMOUNTS NEEDED IN ADDITION TO WHAT IS IN HB1524 SD1					
Prog ID/Org	Dept Pri	Description	FY 20			FY 21		
			FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
NON-RECURRING FUNDS:								
EDN100	0	Non-Recurring Hawaiian Studies	-	-	1,500,864	-	-	1,500,864
EDN100	0	Non-Recurring Resources for New Facilities	-	-	1,500,000	-	-	1,500,000
EDN100	0	Non-Recurring Early College	-	-	500,000	-	-	500,000
EDN300	0	Non-Recurring Teacher Certification Stipend Program MOAs	-	-	400,000	-	-	400,000
TOTAL NON-RECURRING FUNDS			-	-	3,900,864	-	-	3,900,864
TOTAL BASE BUDGET RESTORATION			-	-	14,036,132	-	-	14,036,132
LEVEL 1 PRIORITIES:								
EDN150/VA	1	ABA STAFFING TO IMPLEMENT ACT 107/SLH 2016 & ACT 205/SLH 2018 - POSITIONS	166.00	-	-	166.00	-	-
EDN100/CN	3	ADDITIONAL WC FUNDS	-	-	1,400,000	-	-	1,400,000
EDN100/CJ	9	OFFICE OF HAWAIIAN EDUCATION REQUEST FOR 3.0 FTE PERM POSITIONS ONLY	3.00	-	-	3.00	-	-
EDN100/BX	10	ADD ED SPECIALIST FOR EARLY COLLEGE	1.00	-	-	1.00	-	-
EDN200/GJ	12	LEADERSHIP DEVELOPMENT STABILITY REQUEST	3.00	-	911,486	3.00	-	1,041,560
EDN200/GP	14	ENGLISH LANGUAGE LEARNERS (ELL) PROGRAM 1.0 FTE ED SPECIALIST FOR COMPLIANCE AND PROGRAM IMPLEMENTATION	1.00	-	-	1.00	-	-
EDN200/GB	15	ADMINISTRATIVE ASSISTANT POSITION FOR OCID	1.00	-	-	1.00	-	-
EDN200/GD	16	ADMINISTRATIVE SERVICES ASSISTANT POSITION FOR OSSS	1.00	-	-	1.00	-	-
EDN400/OE	17	ELECTRIC UTILITIES ENERGY COST ADJUSTMENT CHARGES	-	-	3,000,000	-	-	3,000,000
TOTAL LEVEL 1 PRIORITIES			176.00	-	5,311,486	176.00	-	5,441,560
LEVEL 2 PRIORITIES:								
EDN400/OC	18	SUPPORT FOR SCHOOL FACILITY SERVICE AND MAINTENANCE	-	-	2,531,807	-	-	2,531,807
EDN400/OC	19	AIR CONDITIONING REPAIR	-	-	1,000,000	-	-	1,000,000
EDN300/KF	23	PAYROLL SYSTEM SUPPORT STAFF	4.00	4.00	158,757	4.00	4.00	317,513
EDN300/KC	31	BOE ANALYST II	1.00	-	45,199	1.00	-	90,398
EDN700/PK	EOE L	EARLY LEARNING INDUCTION PROGRAM AND ADDITIONAL PREKINDERGARTEN CLASSROOMS FOR FY 2021	-	-	830,535	44.00	-	2,025,620
TOTAL LEVEL 2 PRIORITIES			5.00	4.00	4,566,298	49.00	4.00	5,965,338

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HB-1524-SD-1

Submitted on: 3/27/2019 10:31:52 PM

Testimony for WAM on 3/28/2019 10:20:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for O`ahu County Democrats Legislative Priorities Committee	Support	No

Comments: