



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

House Committee on Finance

Wednesday, February 24, 2021
2:00 p.m.
Via Videoconference
Hawaii State Capitol, Room 308

House Bill 613, House Draft 2, Relating to Education

Dear Chair Luke, Vice Chair Cullen, and Members of the Committees:

The Board of Education (“Board”) appreciates the intent of HB613 HD2 but has comments. HB613 HD2 would require the Board and Department of Education (“Department”) to use Elementary and Secondary School Emergency Relief Fund (“ESSER funds”) moneys to offset any budget reductions that would result in the reduction of personnel who are subject to a collective bargaining agreement and who are employed at the school level.

While the Board supports proposed legislation that preserves funding and resources for student learning at the classroom level, the Board has concerns with the Legislature directing the Board how to allocate federal funds, especially because the Board and Department, as the State Educational Agency and Local Educational Agency, are accountable for the proper expenditure of such funds.

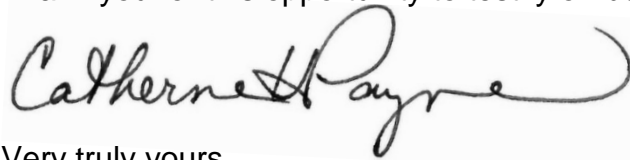
Rather than directing the Board and Department on how to expend non-recurring federal funds, it is more suitable for the Legislature to determine how much general funds it can appropriate to maintain as many resources at the classroom level as practicable. Governor David Ige recently proposed to give back approximately \$123 million in general funds to the Department following the Council on Revenue’s revised revenue projections. The Legislature could ensure as minimal impact to the classroom level as possible by appropriating these previously unavailable general funds as necessary or going a step further and restoring the Department’s base budget.

Additionally, the Board already authorized the Department to expend a portion of the ESSER II funds at its most recent meeting on February 18, 2020 and after considering a

significant volume of testimony from the public, including teachers. The Board authorized the Department to expend a portion of ESSER II funds as necessary to provide charter schools with their pro rata share, to cover shortfalls in the current fiscal year for the teacher differentials and school food services programs, and to cover the teacher differentials program in Fiscal Year 2022. The Board determined these critical areas need these federal funds now.

The Board appreciates the Legislature's eagerness to join the public conversation along with Hawaii State Teachers Association about the best use of the ESSER funds. The Board directed the Department to return to the Board for further discussions on the use of any remaining relief funds when Congress passes another round of expected federal relief funds and when this Legislature passes the state biennium budget. We look forward to working in concert with the Legislature to ensure adequate funding and resources for student learning at the classroom level, including for our most vulnerable students who are economically disadvantaged, English learners, or receiving special education services.

Thank you for this opportunity to testify on behalf of the Board.

A handwritten signature in black ink that reads "Catherine Payne". The signature is fluid and cursive, with a large initial "C" and a long, sweeping underline.

Very truly yours,

Catherine Payne
Chairperson, Board of Education
Chairperson, 2021 Legislative Ad Hoc Committee



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

Date: 02/24/2021

Time: 02:00 PM

Location: 308 Via Videoconference

Committee: House Finance

Department: Education

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

Title of Bill: HB 0613, HD2 RELATING TO EDUCATION.

Purpose of Bill: Makes an emergency appropriation for fiscal year 2020-2021 from elementary and secondary school emergency relief fund (ESSER funds) moneys received by the State from the CARES Act and CRRS Appropriations Act to offset any budget reductions that are identified or proposed by the department of education and the governor that would result in the reduction of personnel who are subject to a collective bargaining agreement pursuant to chapter 89, HRS, and who are employed at the school level, including any budget reduction that results in a layoff, furlough, or pay reduction. Requires BOE and superintendent of education to certify in writing that BOE, superintendent, and DOE agree to certain conditions, including that the funds appropriated shall be used only for salaries and wages of officers and employees who are subject to a collective bargaining agreement and are employed at the school level. Makes an appropriation for fiscal years 2021-2022 and 2022-2023 from the same source of funding and with the same conditions. Effective 7/1/2050. (HD2)

Department's Position:

The Hawaii State Department of Education (Department) respectfully offers comments on HB 613, HD 2, which would direct the Department's use of all unexpended Elementary and Secondary School Emergency Relief (ESSER) grant funds awarded by the U.S. Department of Education.

The Department's top three priorities for this year are:

1. The restoration of the \$100.2 million cut to the base budget;

2. Retaining and maximizing federal relief funds to stabilize public schools; and
3. Exploring with state leaders opportunities to secure a predictable, equitable, and stable source of K-12 funding (<https://www.hawaiipublicschools.org/DOE%20Forms/budget/HIDOELegislativePriorities2020-21.pdf>).

This measure does not address these priorities as it seeks to direct all ESSER funds to be used only for salaries and wages of educational officers and employees who are subject to a collective bargaining agreement and are employed at the school level.

This proposal severely precludes the Department's ability to address unmet needs required to support public school students during the ongoing COVID-19 pandemic, which is the primary intent for the federal education relief funds implicated in this measure. The Department has been reporting on a monthly basis its use of the first award of \$43.4 million of ESSER funds: <https://www.hawaiipublicschools.org/ConnectWithUs/Organization/Budget/Pages/CARES-spend-ing-reports.aspx>

If enacted, this measure would require the Department to cancel existing encumbrances and retract allocation balances for these funds. This would halt the provision of connectivity for students to access the internet off-campus; health and safety measures to mitigate the impact of the COVID-19 pandemic and address the security issues that have been exacerbated by the limited use of school facilities; staff training to support the transition to new ways of teaching, learning, and student support in the current educational landscape; and the acquisition of an improved on-line learning platform to increase the capacity for virtual curriculum and instruction.

The Department submitted a proposed plan for the use of the second award of \$183.6 million of ESSER II funds to the Board of Education (Board) for review and approval: https://boe.hawaii.gov/Meetings/Notices/Meeting%20Material%20Library/02182021_GBM_Board%20Action%20on%20Department%27s%20Plan%20for%20Federal%20Funds%20in%20the%20New%20COVID-19%20Relief%20Package%20and%20Annual%20Spending%20Bill.pdf.

On February 18, 2021, the Board approved the Department's use of funds in the current fiscal year to provide charter schools with a pro-rata share, to address the School Food Service shortfall in the current fiscal year, and to fund the teacher differential for this current fiscal year and next.

If this measure is enacted, there will not be sufficient funds available to provide charter schools with a pro-rata share and the Department will be required to seek Emergency Appropriations (not introduced) for state general funds to meet the largely non-recurring expenses for:

- \$32.5 million for the teacher differential;
- \$21-25 million for the School Food Service program;
- \$25.9 million for shortfalls that include unemployment insurance, workers compensation, and licensing and maintenance for information technology systems;

General fund support will also be necessary for Fiscal Year (FY) 2021-22 for the following:

- \$48.6 million for personalized learning supports to address students' academic needs that have been exacerbated by the pandemic;
- \$7.5 million for additional purchases of student computer devices; and
- \$15 million for health and safety measures.

The Department would respectfully request an indication from lawmakers on what course of action will be incorporated into the Legislature's financial plan with regards to the current year

shortfalls and into HB 200 (the measure introduced as the vehicle for the Executive Branch Biennium Budget for the items proposed to be funded with the federal funds in FY 2021-22), if that is known at this time.

In addition, the Department would respectfully request an indication from lawmakers on their interpretation of the maintenance of effort requirement associated with these ESSER funds. Per the federal guidelines, "Under the [Coronavirus Response and Relief Supplemental Appropriations] Act, a State that receives ESSER II funds must maintain support for elementary and secondary education and higher education in FY 2022 based on the proportional share of the State's support for elementary and secondary education and higher education relative to the State's overall spending averaged over FYs 2017, 2018, and 2019":

https://oese.ed.gov/files/2021/01/Final_ESSERII_Factsheet_1.5.21.pdf. We note that in the draft proposal moving through Congress for the next COVID Relief measure, this same requirement on the "State's support" is included, but the requirement will apply to FY 2023 as well.

The Department would also point out that the unexpended balance of ESSER funds would likely be insufficient to off-set the school-level portion of the \$141 million per year cut contained in the Governor's Budget Request that is currently before the Legislature. The inability of the federal funds to meet the shortage this measure seeks to address is complicated by State procedures that require employee fringe costs paid from non-general funds to be passed on to the non-general fund source. The current rate for budgeting purposes is 50.98%:

<https://budget.hawaii.gov/wp-content/uploads/2020/10/FM-20-20-Approved-FY-19-FBR-and-Revised-Interim-FY-21-FBR.pdf>. It may be worthwhile to note that during the Great Recession when federal stabilization funds were allocated to the Department of Education and the University of Hawaii to bridge the gap in general fund support, the Legislature included in the Executive Biennium Budget Bill, Act 162, SLH 2009 the following provision that waived this requirement:

"Section 162. Provided that for the use of Federal Stabilization funds the Department of Education and the University of Hawaii shall not be required to pay fringe benefit costs to the Department of Budget and Finance."

Thank you for the opportunity to provide comments on this measure.

The Hawai'i State Department of Education is committed to delivering on our promises to students, providing an equitable, excellent, and innovative learning environment in every school to engage and elevate our communities. 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.



HOUSE BILL 613, HD 2, RELATING TO EDUCATION

FEBRUARY 24, 2021 · HOUSE FINANCE
COMMITTEE · CHAIR REP. SYLVIA LUKE

POSITION: Support.

RATIONALE: The Democratic Party of Hawai'i Education Caucus supports HB 613, HD 2, relating to education, which makes an emergency appropriation for fiscal year 2020-2021 from elementary and secondary school emergency relief fund (ESSER funds) moneys received by the State from the CARES Act and CRRS Appropriations Act to offset any budget reductions that are identified or proposed by the Department of Education and the governor that would result in the reduction of personnel who are subject to a collective bargaining agreement pursuant to chapter 89, HRS, and who are employed at the school level, including any budget reduction that results in a layoff, furlough, or pay reduction; requires BOE and Superintendent of Education to certify in writing that BOE, superintendent, and DOE agree to certain conditions, including that the funds appropriated shall be used only for salaries and wages of officers and employees who are subject to a collective bargaining agreement and are employed at the school level; and makes an appropriation for fiscal years 2021-2022 and 2022-2023 from the same source of funding and with the same conditions.

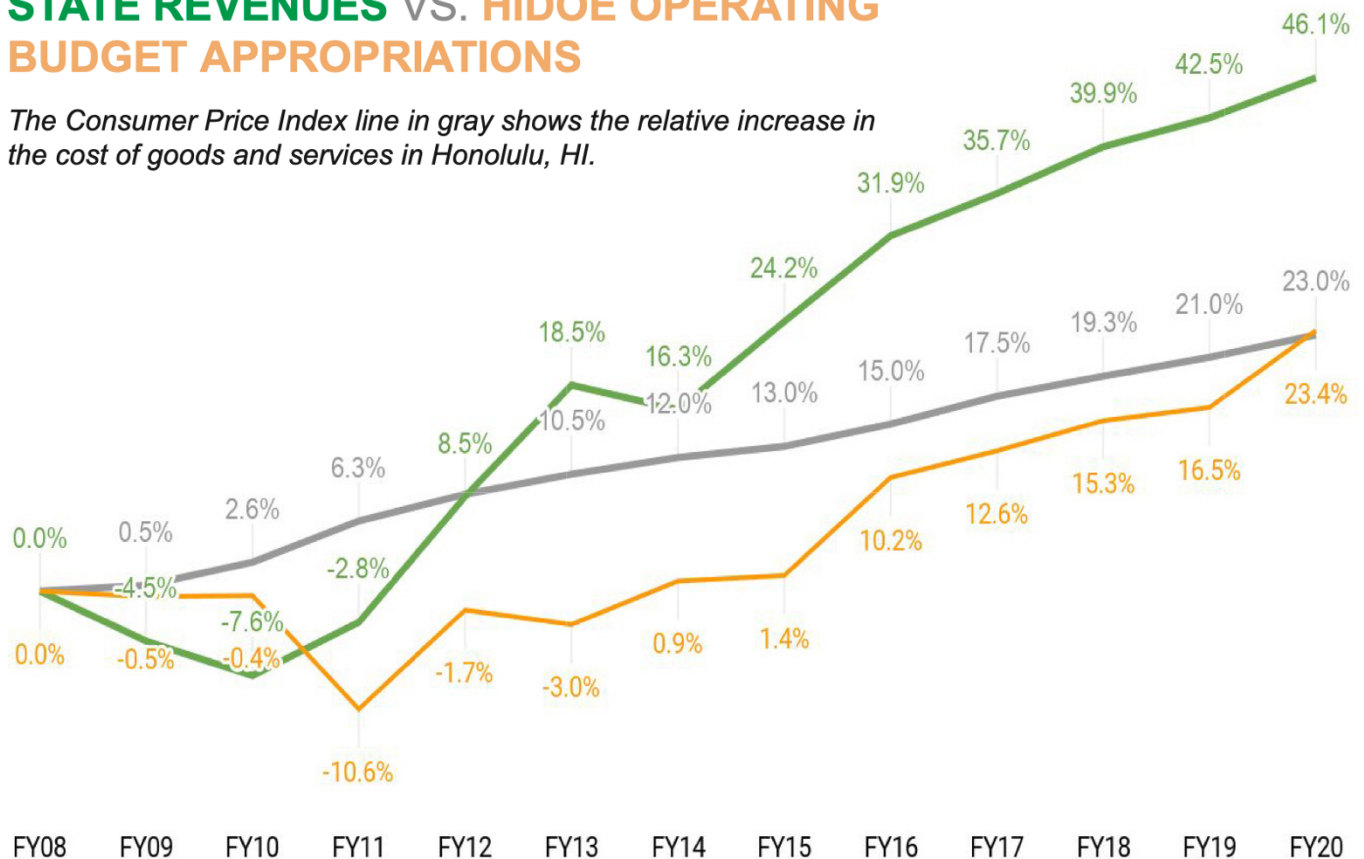
We desperately need to sustain funding for public education. As it has for years, the Aloha State is suffering from a chronic teacher shortage crisis, which could be exacerbated by proposed cuts to the Hawai'i Department of Education's budget amounting to 15 to 21 percent. Approximately

700 teacher positions remain on the chopping block, according to the Hawai'i State Teachers Association, even after Gov. David Ige injected \$123 million into the DOE's budget. Additionally, we continue to lose approximately 50 percent of new hires after five years—the number of teachers exiting the teaching profession has spiked by over 80 percent since 2010.

Prior to the pandemic, the Hawai'i Department of Education saw its budget grow at a pace that was much slower than the rate of increase for general fund revenue. From FY2008 to FY2020, the DOE's budget grew by 23.4 percent, keeping pace with the escalation in the state's cost of living. Yet, general fund revenue grew by 46.1 percent, nearly double the growth reflected in the DOE's budget. This proportional disparity must be rectified, so that our schools and students don't lose out on critical resources or learning opportunities.

STATE REVENUES VS. HIDEO OPERATING BUDGET APPROPRIATIONS

The Consumer Price Index line in gray shows the relative increase in the cost of goods and services in Honolulu, HI.



FY08-18 Actual Collections per Department of Taxation; FY19 and FY20 based on Council on Revenues May 23, 2019 projection.

Education must be a top priority for our state. Hawai'i's public schools are entirely funded at the state level, leaving our education system vulnerable to state funding shortages. Thankfully, federal funding has been made available under the Elementary and Secondary School Emergency Relief Funds established by the CARES Act and the Coronavirus Response and Relief Supplemental Appropriations Act (CRRS Appropriations Act) that will help. Yet, these programs require states to assure that they will maintain support for education programs during fiscal years 2019-2020 and 2020-2021 by meeting certain benchmarks.

Specifically, the DOE must comply with the "maintenance of effort" provisions of the federal Education Stabilization Fund as set forth in sections 18006, 18008, 315, and 317 of the CARES Act in order to receive and spend CARES Act and CRRS Appropriations Act funds, which call for employees who are subject to a collective bargaining agreement to continue to receive their pay; funding for public education to be maintained at the same levels as in fiscal years 2017, 2018, and 2019 for those funds that are part of the CARES Act, and at a proportional level for the CRRS Appropriations Act; and for school staffing levels to be maintained to the greatest extent possible.

We cannot accept furloughs, layoffs or pay cuts as a solution to our state's budget shortfall. We should not balance our budget on the backs of the educators upon whom our learning system depends. Our keiki's and our community's future depends on our resolve.

Kris Coffield · Chairperson, Democratic Party of Hawai'i Education Caucus · (808) 679-7454 · kriscoffield@gmail.com



Committee on Finance
Representative Sylvia Luke, Chair
Representative Ty Cullen, Vice Chair

February 24, 2021

Dear Chair Luke, Vice Chair Cullen, and Members of the Committee,

This testimony is in support of HB613 HD2, which appropriates ESSER funds moneys received by the State from the CARES Act and CRRS Appropriations Act to offset certain budget reductions that are identified or proposed by the DOE and the governor that would result in the reduction of personnel who are subject to a collective bargaining agreement pursuant to HRS Chapter 89, and who are employed at the school level, including any budget reduction that results in a layoff, furlough, or pay reduction. The bill requires the BOE and Superintendent to certify in writing that the BOE, Superintendent, and DOE agree to the conditions established by the Act, including that the funds appropriated shall be used only for salaries and wages of officers and employees who are subject to a collective bargaining agreement and are employed at the school level. The bill also requires that moneys from the appropriation shall lapse at the end of the fiscal biennium.

Throughout the discussions at the BOE on budget reductions and the use of federal funds, HE'E has strongly advocated that along with ensuring health and safety for all, a top priority of the DOE should be maintaining quality instruction in the classroom. This means that positions at the school level, and in particular, in the classroom, should be maintained. Teachers and staff in the classroom are closest to our students and have the greatest influence and impact on our students. Therefore, we suggest that page 4, line 15 read as follows: "level in the classroom;" (Proposed language is underscored.)

Thank you for the opportunity to testify. Our support represents a 75% consensus or more of our voting membership.

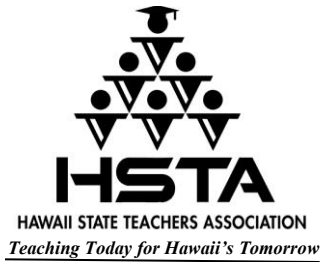
Sincerely,

Cheri Nakamura
HE'E Coalition Director



Academy 21
American Civil Liberties Union
After-School All-Stars Hawai'i
Alliance for Place Based Learning
*Castle Complex Community Council
*Castle-Kahuku Principal and CAS
Coalition for Children with Special Needs
Education Institute of Hawai'i
*Faith Action for Community Equity
Fresh Leadership LLC
Girl Scouts Hawaii
Harold K.L. Castle Foundation
*HawaiiKidsCAN
*Hawai'i Afterschool Alliance
*Hawai'i Appleseed Center for Law and Economic Justice
*Hawai'i Association of School Psychologists
Hawai'i Athletic League of Scholars
*Hawai'i Charter School Network
*Hawai'i Children's Action Network
Hawa'i Education Association
Hawai'i Nutrition and Physical Activity Coalition
* Hawai'i State PTSA
Hawai'i State Student Council
Hawai'i State Teachers Association
Hawai'i P-20
Hawai'i 3Rs
Head Start Collaboration Office
It's All About Kids
*INPEACE
Joint Venture Education Forum
Junior Achievement of Hawaii
Kamehameha Schools
Kanu Hawai'i
*Kaua'i Ho'okele Council
Keiki to Career Kaua'i
Kupu A'e
*Leaders for the Next Generation
Learning First
McREL's Pacific Center for Changing the Odds
Native Hawaiian Education Council
Our Public School
*Pacific Resources for Education and Learning
*Parents and Children Together
*Parents for Public Schools Hawai'i
Special Education Provider Alliance
*Teach for America
The Learning Coalition
US PACOM
University of Hawai'i College of Education

Voting Members () Voting member organizations vote on action items while individual and non-voting participants may collaborate on all efforts within the coalition.*



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Corey Rosenlee
President

Osa Tui Jr.
Vice President

Logan Okita
Secretary-Treasurer

Wilbert Holck
Executive Director

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

WEDNESDAY, FEBRUARY 24, 2021

COREY ROSENLEE, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

Chair Luke, and Members of the Committee

The Hawaii State Teachers Association **strongly supports HB 613, HD2**, relating to education funding. This bill instructs the DOE to comply with “with the provisions of the federal Education Stabilization Fund as set forth in sections 18006, 18008, 315, and 317 of the CARES Act in order to receive and expend CARES Act and CRRS Appropriations Act moneys.” Furthermore, the bill says the DOE must use the CARES Act and CRRS Appropriations Act, “to offset any budget reductions that have been identified or proposed by the department of education and the governor that would result in the reduction of personnel who are subject to a collective bargaining agreement executed pursuant to chapter 89, Hawaii Revised Statutes, and who are employed at the school level, including any budget reduction that results in a layoff, furlough, or pay reduction.”

More than 1,000 DOE employees have been told that their positions have been eliminated at their schools. HSTA believes through the restoration of the DOE budget and using federal stimulus money, the BOE can eliminate all layoffs and eliminate any pay cuts.

Section 315 of the federal stimulus bill (HR133) states that a local school district accepting the funds, “shall, to the greatest extent practicable, continue to pay its employees and contractors during the period of any disruptions or closures related to coronavirus.”

Connecticut’s governor issued directions to the local education agencies that said, LEAs (local education associations) “[s]hall continue to employ or restore to employment if already laid off, and pay school staff who are directly employed by the local or regional board of education, including but not limited to teachers,



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Vice President

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Secretary-Treasurer

Wilbert Holck
Executive Director

paraprofessionals and other support staff, cafeteria staff, clerical staff and custodial workers, to the greatest extent practicable.”

A law blog written by attorneys versed in public education law analyzed the Connecticut governor’s order and stated, “The intent behind the order is clear; school districts should seek to maintain their employees as best they can.” HSTA believes that this bill will give the Legislature greater flexibility on DOE funding once President Joe Biden’s \$1.9 trillion American Rescue Plan passes Congress sometime in March. If the same formulas are used from the last round of COVID-19 stimulus, Hawaii’s DOE could see close to \$450 million in federal aid.

The Legislature needs to take action to avoid potential long-term losses of teachers and other employees and to protect the long-term future of our keiki. Thus, HSTA asks your committee to support this bill.

HB-613-HD-2

Submitted on: 2/22/2021 1:36:51 PM

Testimony for FIN on 2/24/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
cheryl B.	Individual	Support	No

Comments:

Support

Please support this bill and also make sure to have in place ways to keep the DOE accountable that the funds go to the students and educators.

HB-613-HD-2

Submitted on: 2/22/2021 4:12:42 PM

Testimony for FIN on 2/24/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Will Caron	Individual	Support	No

Comments:

No brainer. Please pass this bill!

HB-613-HD-2

Submitted on: 2/22/2021 6:54:50 PM

Testimony for FIN on 2/24/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Banner Fanene	Individual	Support	No

Comments:

Talofa -

I SUPPORT HB613 HD2! It is for our Keiki. Anytime it is for Keiki Hawaii Education, EVERYONE Wins!

Fa'afetai

HB-613-HD-2

Submitted on: 2/22/2021 7:16:54 PM

Testimony for FIN on 2/24/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Angela Huntmer	Individual	Support	No

Comments:

Makes an emergency appropriation for fiscal year 2020-2021 from elementary and secondary school emergency relief fund (ESSER funds) moneys received by the State from the CARES Act

Dear Chair and Committee Members

I am a Special education teacher at Kaaawa Elementary School. We need to preserve employees and their salaries at the school level. We certainly should not be outsourcing the education of our students (at a premium price) to private companies in lieu of funding the salaries of our teaching employees.

Please support this important safeguard that ensures that federal funds are used to offset any budget reductions that are identified or proposed by the department of education and the governor that would result in the reduction of personnel who are subject to a collective bargaining agreement pursuant to chapter 89, HRS, and who are employed at the school level, including any budget reduction that results in a layoff, furlough, or pay reduction. It requires the BOE and superintendent of education to certify in writing that the BOE, superintendent, and the DOE agree to certain conditions, including that the funds appropriated shall be used only for salaries and wages of officers and employees who are subject to a collective bargaining agreement and are employed at the school level. Makes an appropriation for fiscal years 2021-2022 and 2022-2023 from the same source of funding and with the same conditions.

Mahalo, Angela Huntmer MEd

HB-613-HD-2

Submitted on: 2/22/2021 9:55:46 PM

Testimony for FIN on 2/24/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Nanea Lo	Individual	Support	No

Comments:

Hello,

My name is Nanea Lo and I'm a lifelong resident of Hawai'i. I'm writing in strong support of HB613 HD2.

HB 613 ensures that federal ESSER funds received by the State from the CARES Act and CRRS appropriations Act would prevent reduction of state workers employed at the school level.

We know that student learning loss is best addressed by classroom teachers and staff already connected to our keiki.

We know that DOE-connected unions are currently in contract negotiations, and the appropriations provided through 2022-2023 in this measure will provide stability for our keiki and schools. This is very important.

Please support this bill.

me ke aloha 'Ä• ina,

Nanea Lo

HB-613-HD-2

Submitted on: 2/22/2021 10:20:23 PM

Testimony for FIN on 2/24/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Susan Pcola_Davis	Individual	Support	No

Comments:

I strongly support the Senate's position of preventing the funds to be spent by the current superintendent's plan.

Although the Board of Education discussed and voted on their direction to the superintendent, it is still necessary to guard these funds.

This bill puts teachers FIRST! It needs to continue to be teachers first.

My notes from the meeting listed these priorities the BOE directed to the superintendent for these funds

1. Pay the differentials for Special Education, Hard to fill, and Native Hawaiian language through 2022.
2. Restore all teachers positions
3. Protect teachers from any potential pay cuts, layoffs and furloughs.
4. \$9M to charter schools
5. Support funding in food services to pay the bills

Due to the restoration of \$123M funding cuts, funds were sent back to the schools to revise their budgets. She did not say that guidance and direction were provided to the principals to restore ALL positions. Additionally, the superintendent stated that Weighted School Formula changed to 1% reduction from 99%.

Everything remains to be seen. Locking in the BOE, DOE and superintendent into a certification in writing will be the only way the Senate can hold them accountable.

So I highly support the following paragraph as protecting the funding as the Senate (and House) have illustrated.

"The funds appropriated shall not be released to or expended by the department of education unless the board of education and superintendent of education certify in

writing that the board, superintendent, and department agree to the conditions set forth in this Act and that the funds shall only be used for salaries and wages of department of education officers and employees who are subject to a collective bargaining agreement executed pursuant to chapter 89, Hawaii Revised Statutes, and who are employed at the school level;"

HB-613-HD-2

Submitted on: 2/23/2021 2:04:01 PM

Testimony for FIN on 2/24/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Laura Ramirez	Individual	Support	No

Comments:

Fund our schools for our keiki!