



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

Date: 02/25/2022

Time: 11:00 AM

Location: 308 Via Videoconference

Committee: House Finance

Department: Education

Person Testifying: Keith T. Hayashi, Interim Superintendent of Education

Title of Bill: HB 1834, HD2 RELATING TO EDUCATION.

Purpose of Bill: Requires the DOE to establish and administer the strong students grant pilot program to provide grants for eligible education expenses to eligible students. Requires the DOE to submit progress reports to the legislature prior to the 2023 and 2024 regular sessions. Appropriates funds for the pilot program. Effective 7/1/2051. (HD2)

Department's Position:

The Hawaii State Department of Education (Department) supports the intent of HB 1834, HD 2 to establish a Strong Students Grant Pilot Program and respectfully provides comments.

The amount of funds needed for this program will be large. As a preliminary look, for School Year 2021-2022, approximately 79,000 students enrolled in Department schools have family incomes that qualify them to receive free or reduced-price meals. Given these numbers, the Strong Student Grant Program would require a grant award budget of at least \$79 million to provide grants of \$1,000 to eligible students in the same year. This would be larger than some of the Department EDN budget categories.

The adjusted gross income criteria of \$50,000 and \$75,000 do not take into account the number of children in the family. To be equitable, families that have higher adjusted gross incomes but more children should be prioritized and not placed in the third award group of a first-come-first-served.

The eligible education expenses defined are duplicative of expenses already covered by

the Department through federal education grants such as the Elementary and Secondary Education Act of 1965, as amended by the Every Student Succeeds Act; the McKinney-Vento Homeless Assistance Act; and the Individuals with Disabilities Education Act.

Additionally, the requirement to select a third party to build and administer a grant distribution platform will require additional Department fiscal resources in addition to the grant award budget and additional staff to oversee the procurement, development and ongoing administration of the platform.

The Strong Student Grant Program would divert a significant amount of resources that could otherwise be equitably allocated by the Department for all students.

Thank you for this opportunity to provide testimony on HB 1834, HD2.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
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ADMINISTRATIVE AND RESEARCH OFFICE
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MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 1834, H.D. 2

February 25, 2022
11:00 a.m.
Room 308 and Videoconference

RELATING TO EDUCATION

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill No. 1834, H.D. 2, requires the Department of Education to:

1) establish and administer the Strong Students Grant Pilot Program (Program) to provide grants for eligible education expenses to eligible students; and 2) submit progress reports to the Legislature prior to the 2023 and 2024 Regular Sessions. Lastly, the measure appropriates an unspecified sum of general funds for FY 23 to establish and administer the Program.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and

- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.



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David Miyashiro
Executive Director

February 25, 2022

Committee on Finance
Rep. Sylvia Luke, Chair
Rep. Kyle T. Yamashita, Vice Chair

Aloha Chair Luke, Vice Chair Yamashita, and Members of the Committee,

HawaiiKidsCAN strongly supports HB1834 HD2, which requires the DOE to establish and administer the strong students grant pilot program to provide grants for eligible education expenses to eligible students; requires the DOE to submit progress reports to the legislature prior to the 2023 and 2024 regular sessions; and appropriates funds for the pilot program.

Founded in 2017, HawaiiKidsCAN is a local nonprofit organization committed to ensuring that Hawaii has an excellent and equitable education system that reflects the true voices of our communities and, in turn, has a transformational impact on our children and our state. We strongly believe that all students should have access to excellent educational opportunities, regardless of family income levels and circumstances.

Amendment request

In order to better clarify the bill's intent and scope, we humbly request the Committee consider making the following simple amendment:

Amend "(5) Supplemental education services" to read "Supplemental education services, as permitted under the Constitution of the State of Hawaii."

The need for this bill

The COVID-19 pandemic has been incredibly disruptive to student learning, and schools have a difficult task to address student learning loss, social emotional and mental health challenges, and re-socialization for kids who have experienced trauma and been disconnected from their friends and teachers. Families have also had to bear a heavy burden during the pandemic to support kids, as studies have shown that Hawaii was

among the slowest states to return students back for in-person learning.¹² With a significant number of students still at home due to quarantine and isolation protocols, families continue to be called upon to serve as caretakers and educators during the school day.

Unfortunately, this is a perfect storm for families, as the pandemic has had a devastating impact on family stability. The Bank of Hawaii finds that 63% of residents living with at least one child under age 18 have seen their combined household income decline.³ Families are facing an impossible task and are desperate for any support.

That is why HB1834 HD2 is so important. The bill is roughly based on a pilot HawaiiKidsCAN has been running on Lanai called Ohana Pods, where parents have received microgrants to help with their children's learning, funded through local and national foundations. The program has distributed \$11,000 in microgrants to parents, with funds being used for critical needs such as learning materials and tutoring services. Overall, our pilot has served 140 participants, including 86 students (ages ranging from 16 months to 17 years) and 54 parents. The program has supported local partners to coordinate and convene families and community leaders to establish learning pods that connect students with needed educational tools and services. As part of the program, a local church on-island set up an afterschool and summer tutoring program that served more than 50 kids from ages 5-17 years old, using their microgrant to hire educators from the local public school.

The program has used the platform ClassWallet to simplify the administration of grants. Families have access to digital wallet credits within the system that can only be spent on approved educational vendors and service providers, and every purchase must be reviewed and approved before made official. This has meant that it is impossible to commit fraud, and families have the flexibility to select the supports that are most helpful to their kids. We selected this platform for our program due to ClassWallet's extensive vendor list and experience administering large grant programs for states.

Here are a few testimonials from parent participants:

- “Aloha! My family and I were so thankful for the opportunity to participate in the ‘Ohana Pods program in 2021! It granted us resources and supplies that we desperately needed but were not able to get for our kids. These resources allowed

¹ <https://www.mercurynews.com/2021/02/23/covid-data-show-california-far-behind-in-reopening-schools/>

² <https://cai.burbio.com/school-opening-tracker/>

³ https://www.boh.com/siteassets/files/boh_f_covid-19-study-vol2-executive-summary-121720.pdf

our children to learn new life skills and even share their new skills and the products thereof with those around them. We are so thankful for this program and pray that it will continue for us and other families on Lanai as well! Thank you so very much, ‘Ohana Pods Program!!!” - Abby

- “The ‘Ohana Pods have been such an amazing program and have been super beneficial for me and my ‘Ohana. I’m grateful to the ‘Ohana Pods for providing opportunities for me and my children to socialize with other pods, providing funds for essential learning tools that I wouldn’t be able to afford myself and for supporting the growth and development of my children. This whole experience has been so positive, and if this program was offered again in the future I would, without hesitation, join again!” - Makana

For more information on the Ohana Pods program, please visit bit.ly/ohanapods.

Of course, the pandemic has been a shared challenge across the nation, which is why other states are stepping up to create their own family support programs, including Oklahoma, Nebraska, and North Carolina. This isn’t a Democrat or a Republican thing to do: it is the right thing to do.

Why this makes sense now

Respectfully, arguments that families should be able to get their educational needs taken care of exclusively through their schools simply don’t match reality. Parents have long had to pay for school supplies and supplemental learning materials, and schools have many of their own critical needs to prioritize. COVID-19 community spread has also impacted staff and afterschool program capacity at schools, leaving parents to fend for themselves in order to adapt and survive.

We’ve also heard from high school counselors that the grant program would be helpful for kids who can’t afford SAT, ACT, and AP exam costs and retakes. There are many kids and families who deserve and need support.

As a pilot, we do not believe the cost for the program at this time needs to match the \$79 million in the DOE’s testimony, as suggested in prior testimony by the Hawaii DOE. An additional allocation of up to \$5 million should be more than sufficient to stand this program up and help real kids and families.

The DOE could also use its federal ESSER stimulus funds for this purpose to address learning loss.

Now is the time for bold action. We respectfully urge the legislature to provide much-needed relief to our kids and families.

Mahalo for your consideration,

David Miyashiro
Founding Executive Director
HawaiiKidsCAN

HB-1834-HD-2

Submitted on: 2/23/2022 1:03:24 PM

Testimony for FIN on 2/25/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Hannah Simpson	Individual	Support	No

Comments:

Aloha, I am a single mom of 2 boys who has faced a reduction in pay and my children have endured, like all, many setbacks both financially and emotionally due to Covid. Their progress in school has been impacted, as well as my funds to support their educational experiences.

Please pass this bill. It would help our ohana greatly. Thank you.

Hannah Simpson