



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

Date: 02/17/2021

Time: 03:15 PM

Location: CR 229 & Videoconference

Committee: Senate Education

Department: Education

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

Title of Bill: SB 0270 RELATING TO EDUCATION.

Purpose of Bill: Appropriates moneys. Effective 7/1/2050.

Department's Position:

The Hawaii State Department of Education (Department) respectfully offers comments on SB 270, Proposed SD1, 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 officers and employees who are subject to a collective bargaining agreement and are employed at the school level. This would preclude uses for other unmet needs required to support public school students through the pandemic.

Federal education relief funds are intended to address the impact of the ongoing COVID-19 pandemic on public education. 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-spendinq-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 has submitted a proposed plan for the use of the second award of \$183.6 million of ESSER II funds to the Board of Education 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

If this measure is enacted, the Department will be required to seek Emergency Appropriations (not introduced) for state general funds to meet the largely non-recurring expenses for:

- \$79.4 million of current year shortfalls for expenses such as unemployment insurance, workers compensation, school food service, teacher differentials, and licensing and maintenance for information technology systems;
- \$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 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).

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.”

The Department will consult with the Department of the Attorney General on the planned use of the ESSER funds to ensure compliance with state and federal regulations.

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.



1200 Ala Kapuna Street ♦ Honolulu, Hawaii 96819
Tel: (808) 833-2711 ♦ Fax: (808) 839-7106 ♦ Web: www.hsta.org

Corey Rosenlee
President
Osa Tui Jr.
Vice President
Logan Okita
Secretary-Treasurer
Wilbert Holck
Executive Director

TESTIMONY BEFORE THE HOUSE COMMITTEE ON
EDUCATION

RE: SB 270 SD1 RELATING TO EDUCATION FUNDING

WEDNESDAY, FEBRUARY 17, 2021

COREY ROSENLEE, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

Chair Kidani, and Members of the Committee

The Hawaii State Teachers Association **strongly supports SB 270.**

SB270 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 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 20 Revised Statutes, and who are employed at the school level, including any budget reduction that results in a layoff, furlough, or pay reduction.”

Time is of the essence. HSTA was able to work out a compromise with the Department of Education to delay the TATP until March 8. More than 1,000 DOE employees have been told that their positions have been eliminated at their schools. Using a combination of the additional \$123 million added back to the DOE budget, the \$174 million from the Covid Relief Stimulus Bill, and the remainder of the CARES Act, it is HSTA’s position that the BOE can eliminate all layoffs and eliminate any pay cuts.

As part of the \$164 million cut to the DOE budget, \$132 million was school level cuts to EDN100 and EDN150, and this money should be restored first.



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Sections 315, of the federal stimulus bill(HR133) states, “*shall, to the greatest extent practicable, continue to pay its employees and contractors during the period of any disruptions or closures related to coronavirus.*”

In Connecticut’s Governor in issuing directions to the local education agencies stated, LEAs “*[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, paraprofessionals and other support staff, cafeteria staff, clerical staff and custodial workers, to the greatest extent practicable.*”

A legal opinion based on that order stated, “The intent behind the Order is clear; school districts should seek to maintain their employees as best they can.”

Actions need to happen as soon as possible in order to avoid potential long term losses of teachers and other employees and to protect the long term impact to our keiki.

HSTA also believes this is a stop gap measure until Biden’s 1.9 trillion American Rescue Plan passes sometime in March. If the same formulas are used Hawaii’s DOE could see close to \$450 million.



Committee on Education
Senator Michelle Kidani, Chair
Senator Donna Mercado Kim, Vice Chair

February 17, 2021

Dear Chair Kidani, Vice Chair Kim and Committee Members,

This testimony is in **support of SB 270 Proposed SD1**, which appropriates ESSER funds moneys received by the State from the CARES Act, Public Law 116-136, and the CRRSA Act, 2021, Public Law 116-260, 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 this 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 18 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.*

SB-270

Submitted on: 2/15/2021 6:51:49 PM

Testimony for EDU on 2/17/2021 3:15:00 PM

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

Comments:

I strongly support the House Committee on Education for establishing a bill to ensure ESSRII funds are spent to SAVE TEACHERS JOBS!!

In support of employees who are subject to collective bargaining agreements, Units 5 & 6, continue to receive their pay.

The Superintendent seems to have created her own definition of "Maintenance of Effort." This bill clearly spells out the House's intent to protect the funding from the Superintendent's misuse.

Preventing a request for a waiver from the Secretary of Education is of utmost importance. If the waiver is granted then our schools, teachers and students are at risk. The risk itself will be much larger than the learning loss predictions.

Also with a waiver, she will be relieved of securing personnel who are employed at the school level, including any budget reduction that results in a layoff, furlough, or pay reduction.

But the key point of this bill, is securing the funding, release and expenditure from misappropriation by the Department of Education, it's superintendent and the Board of Education UNLESS CERTIFIED IN WRITING.

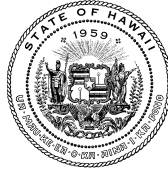
This certification prevents the spending of the funds on ANYTHING other than salaries and wages of department of education officers and employees who are subject to a collective bargaining agreement.

And ALL the funding will be expended. Not rolled over into some secret fund.

Why the need for such a bill?

The superintendent has time and time again disappointed and embarrassed the State of Hawaii.

Lastly, is there a bill that would prevent her contract for being renewed? If not, then when.



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

Senate Committee on Education

Wednesday, February 17, 2021
3:15 p.m.
Via Videoconference
Hawaii State Capitol, Room 229

Senate Bill 270, Proposed Senate Draft 1, Relating to Education

Dear Chair Kidani, Vice Chair Kim, and Members of the Committees:

The Board of Education (“Board”) appreciates the intent of the proposed SD1 for SB270 but has comments. The proposed SD1 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.

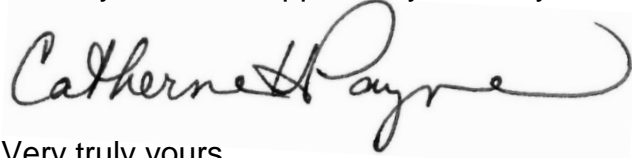
While the Board supports proposed legislation that preserves funding and resources for student learning at the classroom level, the Board has concerns with the Legislature directing the Board how to allocate federal funds, especially because the Board and Department, as the State Educational Agency and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

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, and

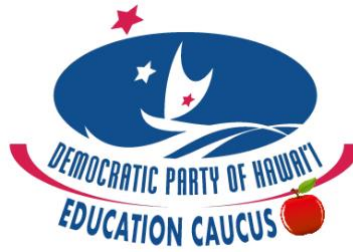
the Board will be opening up that conversation with an opportunity at the Board's February 18 general business meeting for the public to provide comments on the Department's proposed plan.

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 written in a cursive style with a large, sweeping flourish at the end.

Very truly yours,

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



SENATE BILL 270, RELATING TO EDUCATION (PROPOSED SD 1)

FEBRUARY 17, 2021 · SENATE EDUCATION
COMMITTEE · CHAIR SEN. MICHELLE N. KIDANI

POSITION: Support.

RATIONALE: The Democratic Party of Hawai'i Education Caucus supports SB 270 (proposed SD 1), relating to education, which appropriates 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 the Board of Education and Superintendent of Education to certify in writing that the board of education, superintendent, and department of education 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; and provides that moneys from the appropriation shall lapse at the end of the fiscal biennium.

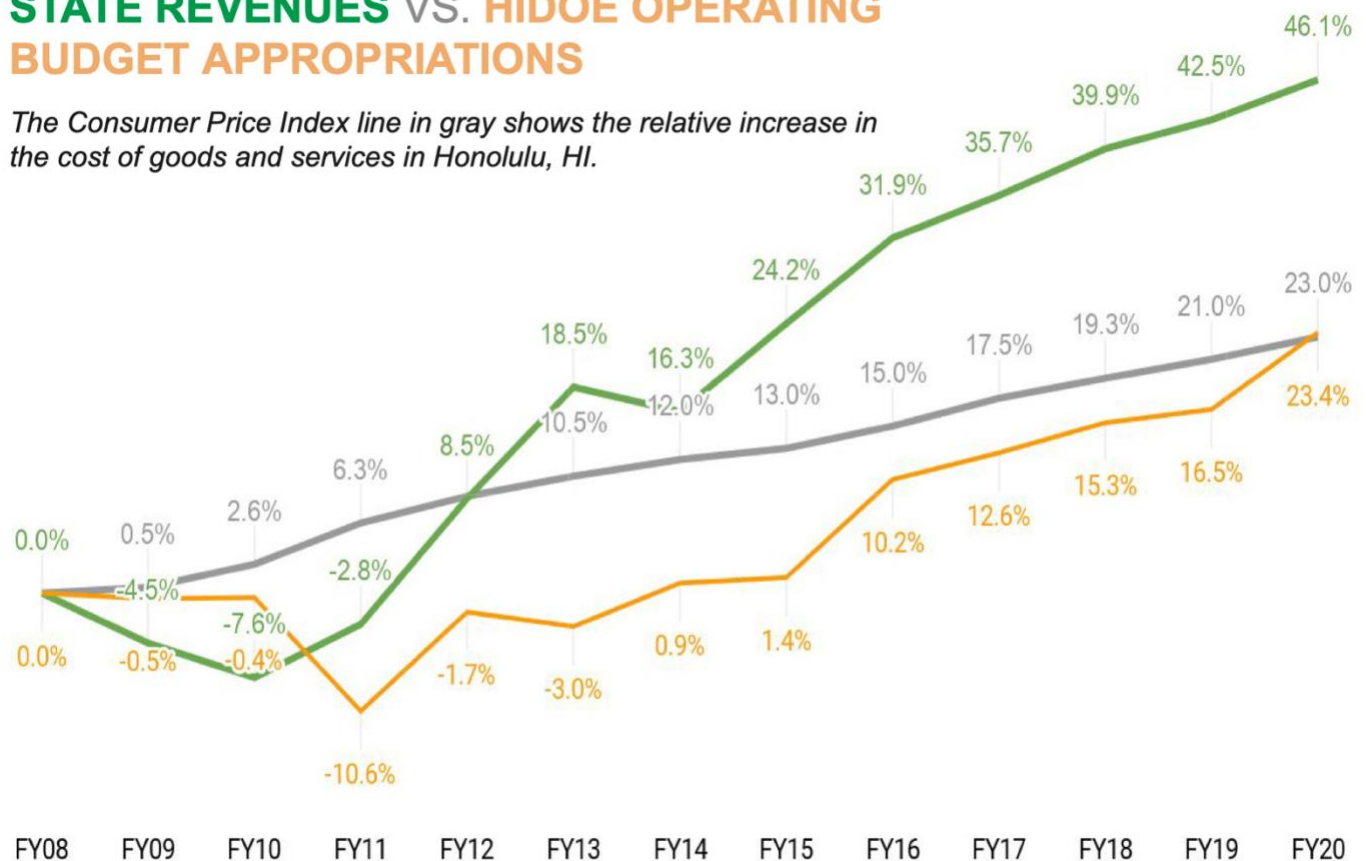
We desperately need to sustain funding for public education. As it has for years, the Aloha State is suffering from a chronic teacher shortage crisis, which could be exacerbated by proposed cuts to the Hawai'i Department of Education's budget amounting to 15 to 21 percent. Approximately

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

SB-270

Submitted on: 2/12/2021 1:28:37 PM

Testimony for EDU on 2/17/2021 3:15:00 PM

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

Comments:

Support

Ensure that the monies go to and are monitored to go to the designated peoples.

Asking that the DOE and SUPT. ask for the waiver on standardized testing. The legislature look into \$\$ spent on contracts for that as well as other contracts for which we should have a return of unused \$\$ to schools.

February 15, 2021

Testimony in support of SB 270 SD1 Relating to Education

Honorable Chair Kidani and members of the Committee on Education:

I am writing in support of SB 270 SD1. In times of financial hardship, it is especially important to look carefully at long term implications, as well as the present impact of spending. Committing resources to maintain our staffing infrastructure within the Department of Education is critical to our schools, both in terms of best addressing student needs now and in the future.

Please support this bill.

Thank you for your consideration.

Sincerely,
Lynn Otaguro
Oahu, Hawaii

SB-270

Submitted on: 2/15/2021 2:40:14 PM

Testimony for EDU on 2/17/2021 3:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Katie Benioni	Individual	Oppose	No

Comments:

Aloha Chairs and Committee,

I OPPOSE the current version of this bill because it eliminates public charter schools from receiving these critical federal dollars which are meant to be used for preparing, preventing and responding to COVID-19. Because charter schools are not under the Department of Education and their employees are not Department employees, this bill would EXCLUDE all public charter school staff. There is no equity in that! Please remove this restriction and simply appropriate the federal CARES funds so they can be used for ALL public school students in Hawaii, not just those at DOE schools. The simplest methodology would be to divide the funds by the total number of public school students and distributing that to schools. Please do not pass this bill in its current form. Mahalo