

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
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EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
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
SENATE BILL NO. 2826, S.D. 2

April 1, 2022
3:00 p.m.
Room 308 and Videoconference

RELATING TO EDUCATION

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

Senate Bill No. 2826, S.D. 2, adds a new section to Chapter 302A, HRS, and Chapter 302D, HRS, to establish a Career Development Success Program (Program) to provide financial incentives for participating public high schools and charter schools to encourage students enrolled in grades 9 through 12 to enroll in and successfully complete qualified industry-credential programs. The bill appropriates an unspecified sum of general funds for FY 23 for 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.



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

Date: 04/01/2022

Time: 03:00 PM

Location: 308 Via Videoconference

Committee: House Finance

Department: Education

Person Testifying: Interim Superintendent Keith Hayashi
Hawaii State Department of Education

Title of Bill: SB 2826, SD2 RELATING TO EDUCATION.

Purpose of Bill: Establishes a career development success program within the Department of Education to provide financial incentives for participating public high schools to encourage students enrolled in grades nine through twelve to enroll in and successfully complete qualified industry-credential programs. Establishes a similar program for public charter schools. Appropriates funds. Effective 7/1/2050. (SD2)

Department's Position:

The Hawaii State Department of Education (Department) supports SB 2826, SD2 and appreciates the inclusion of funding but asks that any additional funding does not affect the Department's top budget priorities to restore funds that were reduced as a result of the fiscal fallout from COVID-19 and the funding of existing budget shortfalls that were included in the Department's supplemental budget request. Without those funds, the Department will face severe constraints on its ability to continue to promote equity and access to needed resources and support for all students.

The Department recognizes that SB 2826, SD2 creates a career development success program to provide financial incentives for participating public high schools to encourage students to enroll in and complete a qualified industry-credential program. The Department appreciates the appropriation in this bill to distribute monetary awards based on the number of students who earn industry-recognized credentials.

As public high schools establish and expand their Career and Technical Education

programs of study within their school design, the Department is committed to strengthening a concerted effort among various partners to prepare students for the college and career pipeline with the appropriate skills, attributes, certifications, work-based learning experiences, and/or post-secondary credits to contribute to the vitality of Hawaii's workforce.

Thank you for the opportunity to provide testimony in support of SB 2826, SD2.



Written Statement of
Len Higashi
Acting Executive Director
Hawaii Technology Development Corporation
before the
HOUSE COMMITTEE ON FINANCE

Friday April 1, 2022
3:00 p.m.
Videoconference

In consideration of
SB2826 SD2
RELATING TO EDUCATION.

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

The Hawai'i Technology Development Corporation (HTDC) **supports** SB2826, SD2 that establishes a career development success program within the Department of Education to provide financial incentives for participating public high schools to encourage students enrolled in grades nine through twelve to enroll in and successfully complete qualified industry-credential programs and establishes a similar program for public charter schools.

HTDC supports initiatives aimed at promoting technology and manufacturing jobs. This bill aligns with our agency's goals of developing talent to foster innovation and diversity Hawaii's economy by accelerating the growth of Hawaii's technology industry. Thank you for the opportunity to offer these comments.

DAVID Y. IGE
GOVERNOR



JOHN S.S. KIM
CHAIRPERSON

STATE OF HAWAII
STATE PUBLIC CHARTER SCHOOL COMMISSION
(‘AHA KULA HO‘ĀMANA)

<http://CharterCommission.Hawaii.Gov>
1111 Bishop Street, Suite 516, Honolulu, Hawaii 96813
Tel: (808) 586-3775 Fax: (808) 586-3776

FOR: SB2826 SD2 Relating to Education
DATE: April 1, 2022
TIME: 3:00 P.M.
COMMITTEE: Committee on Finance
ROOM: Conference Room 308 & Videoconference
FROM: Yvonne Lau, Interim Executive Director
State Public Charter School Commission

Chair Luke, Vice Chair Yamashita, and members of the Committee:

The State Public Charter School Commission (“Commission”) appreciates the opportunity to submit this testimony in **SUPPORT of SB2826 SD2** which establishes a career development success program to provide financial incentives for participating public high schools to encourage students enrolled in grades nine through twelve to enroll in and successfully complete qualified industry-credential programs. Establishes a similar program for public charter schools, and appropriates funds.

The Commission is deeply grateful for the inclusion of our public charter schools in new program. The Commission is available to work with this committee, the Hawaii Department of Education, and public charter schools in moving this legislation forward.

Thank you for the opportunity to provide this testimony.



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Finance
Friday, April 1, 2022, at 3:00 P.M.
Conference Room 308 & Videoconference**

RE: SB 2826 SD2 Relating to Education

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

The Chamber of Commerce Hawaii ("The Chamber") **supports** SB 2826 HD2 which establishes a career development success program to provide financial incentives for participating public high schools to encourage students enrolled in grades nine through twelve to enroll in and successfully complete qualified industry-credential programs. It also establishes a similar program for public charter schools.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

Through strategic and deliberate collaboration, the Chamber is investing in K-12 career and technical education, and synergy with business community, resulting in new industry partner connections, sector-driven workforce development solutions, increased certification attainment and high-quality work-based learning (WBL) experiences.

Establishing a career development success program in Hawaii would ensure that students learn skills and earn credentials required by industry for employment after graduation. Industry-recognized credentials are important because they teach the specific knowledge and skills that are required for an occupation or industry. With the rise in student debt and workforce shortages across multiple industries, this bill helps students find a career path they can thrive in, while also strengthening and diversifying our economy.

This bill is a win for students, schools, local employers, and the broader Hawaii economy, and would make our education system among the most exciting in the world.

Thank you for the opportunity to testify.



House Committee on Finance

Representative Sylvia Luke, Chair
Representative Kyle Yamashita, Vice-Chair
Friday, April 1, 2022 at 3:00 P.M.
Conference Room 308 & Via Videoconference

RE: SB 2826 SD2, RELATING TO EDUCATION

Chair Woodson, Vice Chair Kapela, and Members of the Committee:

The Society of Human Resource Management (SHRM) Hawaii supports SB 2826 SD2 which establishes a career development success program to provide financial incentives for participating public high schools to encourage students enrolled in grades nine through twelve to enroll in and successfully complete qualified industry-credential programs. It also establishes a similar program for public charter schools.

SHRM Hawaii serves and represents nearly 600 members and employers' statewide and human resource management is a critical component to the success and survival of the many businesses that make up our local economy. HR professionals are responsible for evaluating and balancing the needs of both the employers and employees and caring for businesses' most valuable asset: the working people of our state.

Establishing a career development success program in Hawaii would ensure that students learn skills and earn credentials required by industry for employment after graduation. Industry-recognized credentials are important because they teach the specific knowledge and skills that are required for an occupation or industry. With the rise in student debt and workforce shortages across multiple industries, this bill helps students find a career path they can thrive in, while also strengthening and diversifying our economy.

SHRM Hawaii is a firm believer in work-based learning, and our members welcome the opportunity to work with schools and adult learning community schools to hire and train the future of Hawaii's workforce.



We appreciate the committee bringing policies forward that would help advance our economy and get people back to work. We stand in support of this bill and support workforce readiness programs like the one outlined in this legislation.

Thank you for this opportunity to provide testimony.

Kalani Morse
Legislative Affairs Committee Co-Chair

Dailyn Yanagida
Legislative Affairs Committee Co-Chair



SHRM Hawaii, P. O. Box 3175, Honolulu, Hawaii (808) 447-1840



david.miyashiro@hawaiikidscan.org
hawaiikidscan.org

David Miyashiro
Executive Director

April 1, 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 SB2826 SD2, which establishes a career development success program within the Department of Education to provide financial incentives for participating public high schools to encourage students enrolled in grades nine through twelve to enroll in and successfully complete qualified industry-credential programs; establishes a similar program for public charter schools; and appropriates funds.

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.

In terms of generational sustainability, it is clear the status quo won't cut it. Hawaii continues to be a place that is losing population, and research shows that a significant number of young and educated former residents have now found other states their home.¹ That means our leaders and policymakers must be taking bold steps to ensure our students are fully equipped to survive and thrive in Hawaii, especially given the economic stresses heightened by the COVID-19 pandemic.

One clear way to achieve this call to action is to fully harness the power of Hawaii's innovative career readiness programs in our public schools. It's not just a matter of *if*

¹ <https://www.civilbeat.org/2022/01/hawaiis-population-drain-outpaces-most-states-again/#:~:text=From%20July%202020%20to%20July,from%20the%20U.S.%20Census%20Bureau.&text=This%20means%20about%2014%2C500%20people,Hawaii%20has%20lost%2030%2C000%20residents.>

students are getting career readiness opportunities, but rather if those experiences are strategically aligned to provide students with the most benefits. SB516 – Act 163 – was passed last year to help schools, policy leaders, and funders better understand and prioritize programming for students when it comes to getting them ready for quality and available jobs in Hawaii. For the first time, data will be available and shared from all state educational systems and workforce training agencies to analyze the cross-agency longitudinal education and workforce outcomes of students who attempted an educational course, training program, career program, postsecondary program, or other state-supported workforce training program.

SB2826 SD2 would build on this foundation to create an incentive program for public schools based on how successfully students attain industry recognized credentials that are aligned to the local Promising Credentials report. In particular, the report used rigorous labor market analysis and outreach to local Hawaii businesses to curate a list of industry-recognized credentials that are associated with in-demand, living wage occupations throughout the state. That means a student earning a Promising Credential is better prepared for jobs that are forecasted to increase in demand, pay a family sustaining wage, and have a promising career ladder.

This effort is particularly important, in that it will help streamline and accelerate skill development for students. The initial training students get at the high school level will help take care of their basic requirements and get them through the door, at which point they will have a leg up for continued higher education or entering the workforce in their relevant industry. Students will have greater clarity, choices, and experience.

This bill is a win for students, schools, local employers, and the broader Hawaii economy, and would make our education system among the most exciting in the world. In Switzerland, for example, student pairing with businesses begins at the age of sixteen, with 71 percent of high schoolers participating in all fields (trades, blue- and white-collar occupations). Spending up to three days per week working in industry-specific training, the Swiss youth earn a monthly stipend of between \$800 and \$1,400. Upon graduation from high school at the age of nineteen or twenty, students leave with a diploma, several years of work experience, a sizable savings cushion, and typically an in-hand offer from an employer or a targeted higher-education pathway.²

And investment in today's student is an investment in Hawaii's bright present *and* future.

² <https://epicenter.wcfia.harvard.edu/blog/our-labor-market-crisis-paving-new-path-future-work>

Mahalo for your consideration,

David Miyashiro
Founding Executive Director
HawaiiKidsCAN



S E A C
Special Education Advisory Council
1010 Richards Street Honolulu, HI 96813
Phone: 586-8126 Fax: 586-8129
email: spin@doh.hawaii.gov
April 1, 2022

**Special Education
Advisory Council**

Ms. Martha Guinan, *Chair*
Ms. Susan Wood, *Vice Chair*

Ms. Sara Alimoot
Ms. Virginia Beringer
Ms. Mary Brogan
Ms. Deborah Cheeseman
Ms. Annette Cooper
Ms. Shana Cruz
Mr. Mark Disher
Ms. Mai Hall
Ms. Melissa Harper Osai
Dr. Kurt Humphrey
Mr. Kerry Iwashita
Ms. Melissa Johnson
Ms. Tina King
Ms. Jennifer Leoiki-Drino
Ms. Cheryl Matthews
Dr. Paul Meng
Ms. Kiele Pennington
Ms. Carrie Pisciotto
Ms. Kau'i Rezentes
Ms. Rosie Rowe
Ms. Ivalee Sinclair
Mr. Steven Vannatta
Ms. Lisa Vegas
Ms. Paula Whitaker
Ms. Jasmine Williams
Ms. Susan Wood

Ms. Annie Kalama, *liaison to
the Superintendent*
Ms. Wendy Nakasone-Kalani,
*liaison to the military commu-
nity*

Amanda Kaahanui, Staff
Susan Rocco, Staff

Representative Sylvia Luke, Chair
Committee on Finance
State Capitol
Honolulu, HI 96813

RE: SB 2826, SD 2 - RELATING TO EDUCATION

Dear Chair Luke and Members of the Committee,

The Special Education Advisory Council (SEAC), Hawaii's State Advisory Panel under the Individuals with Disabilities Education Act (IDEA), **supports** SB 2826, SD 2 which establishes a career development success program within the Department of Education to provide financial incentives for participating public high schools to encourage students enrolled in grades nine through twelve to enroll in and successfully complete qualified industry-credential programs.

In SY 2019-20 only about one in three students with disabilities reported being enrolled in a college program within one year of leaving high school--about half the rate of their non-disabled peers. Students with IEPs were also behind 17% points behind their peers in completing a CTE Program of Study as 12th graders. Creating more career pathways for jobs that provide a living wage and providing the necessary accommodations for students with disabilities within these industry-credentialed programs will help to set these students on a successful career path, regardless of whether they complete a 4-yr. college degree.

Mahalo for this opportunity to submit testimony in support of SB 2826, SD 2.

Respectfully,

Martha Guinan
Chair

SB-2826-SD-2

Submitted on: 3/30/2022 6:53:21 AM

Testimony for FIN on 4/1/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Amy Sun	Individual	Support	Written Testimony Only

Comments:

I support SB2826 SD2. I remember being a high school student trying to figure out what I wanted to do after graduation. Taking AP classes that counted for college credit was helpful in setting me up for success in college. I felt confident entering college, because I had experience in college-level courses and I was several steps ahead of others with an entire year of credits finished. I entered with enough credits to "skip" my freshman year and essentially graduate a year earlier. I think offering high schoolers the opportunity to enroll in industry-credential programs can provide the same benefits for them. As a high schooler, the opportunity to take college-level courses gave me focus as I tried to figure out my next steps; as a college student, the opportunity gave me confidence and a head start.



April 1, 2022

Aloha Chair Luke, Vice Chair Yamashita, & Finance Committee,

As a mom of a Kalani high school son and UHManoa daughter, I support SB2826 SD2 that promotes Industry Recognized Credentials at high school.

Recently, my husband excitedly came home and said that our daughter's friend, a high school Senior, had just helped him at Longs Drugs Pharmacy! Our daughter explained that Kaiser High offers a Pharmacy Technician program that prepares high schoolers for actual pharmacy jobs. Amazing!

Let's help answer our teenagers' eternal flame question of "WHY do I have to learn this?" By offering real experiences in viable careers that pay well and can keep our kids living in Hawaii. Let's continue to grow Win-Win programs that give reciprocal value to our students and the communities we live in.

Mahalo nui loa,

Celeste Yukiko Endo