



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

Date: 02/23/2022

Time: 10:05 AM

Location: CR 211 & Videoconference

Committee: Senate Ways and Means

Department: Education

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

Title of Bill: SB 2893, SD1 RELATING TO A SCHOOL SUPPLY SUBSIDY PILOT PROGRAM.

Purpose of Bill: Establishes a one-year school supply subsidy pilot program at all schools composed entirely of students eligible for participation in Title I. Appropriates funds. Effective 7/1/2050. Repeals on 1/1/2024. (SD1)

Department's Position:

The Hawaii State Department of Education (Department) supports SB 2893, SD1, which expands to all schools composed entirely of students eligible for participation in Title I including Naalehu Elementary School, a pilot program to subsidize school supplies to alleviate the financial burden of education on low-income families.

The Department appreciates this proposal and 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 included in the Department's supplemental budget request for existing budget shortfalls. 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 pilot program findings and recommendations will be reported by the Department prior to the convening of the 2024 regular session.

Thank you for the opportunity to provide testimony in support of this measure.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
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DEPUTY DIRECTOR

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FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
SENATE BILL NO. 2893, S.D. 1

February 23, 2022
10:05 a.m.
Room 211 and Videoconference

RELATING TO A SCHOOL SUPPLY SUBSIDY PILOT PROGRAM

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

Senate Bill No. 2893, S.D. 1: 1) establishes a one-year school supply subsidy pilot program at all schools composed entirely of students eligible for participation in Title I; 2) requires the Department of Education to submit a report of its findings and recommendations regarding the school supply subsidy pilot program, including any proposed legislation, to the Legislature no later than 20 days prior to the convening of the 2024 Regular Session; 3) appropriates an unspecified sum of general funds for FY 23; and 4) repeals the measure on January 1, 2024.

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.