



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

Date: 03/16/2021

Time: 02:00 PM

Location: 309 Via Videoconference

Committee: House Education

Department: Education

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

Title of Bill: SB 0815, SD2 RELATING TO EDUCATION FUNDING.

Purpose of Bill: Establishes maintenance of effort provisions. Establishes a public education stabilization trust fund. Requires reports. Makes appropriations. Effective 7/1/2050. (SD2)

Department's Position:

The Hawaii State Department of Education (Department) strongly supports this SB 815, SD2, which aims to provide improved predictability and stability in educational funding for Hawaii's public schools.

As the State faces dire fiscal challenges and cuts to the state budget, the Department implores the Legislature to consider the critical role its instructional and non-instructional services play in the lives of haumāna and their 'ohana.

Stability and predictability of financial support for public school operations is a critical prerequisite for effective strategic planning to align resources, both personnel and non-personnel resource, to efficiently and effectively support student needs.

Exposing public schools to potential dramatic decreases in funding for the Department jeopardizes both access to learning and the existence of critical safety nets for a significant number of students, particularly the Department's most vulnerable learners. The "Maintenance of Effort" provisions proposed by this measure will help insulate the Department from extraordinary funding reductions, thereby minimizing the negative impacts on both instructional and non-instructional services.

Furthermore, reliance on the Department's non-instructional services has increased dramatically in the wake of the pandemic. These essential non-instructional services

include food services, homeless liaison services, mental and behavioral health services, emergency shelter during natural disasters, and access to broadband and internet infrastructure. In addition to the ongoing funding needs for its instructional initiatives, the Department appreciates any help in addressing the growing deficit in these non-instructional areas.

The National Conference of State Legislatures list equity, predictability, and stability as critical components for maintaining an effective school finance system. The State's existing Weighted Student Formula assures the equity component, while this measure aims to establish the predictability and stability pieces. This bill will greatly improve the Department's capacity to meet constantly evolving student needs and the ability to design and execute appropriate learning and support systems.

The current reductions contained in the Governor's Executive Biennium Budget Request and Financial Plan this session have been estimated at \$392 million, before considering tens of millions in pre-existing and COVID-19-related shortfalls:

1. \$100.2 million reduction that was implemented this current fiscal year using one-time adjustments that are not sustainable,
2. \$164 million of Program Review Reductions (later reduced to \$41 million), and
3. \$128 million labor savings (later announced as unrequired).

The Department cannot sustain these dramatic cuts, while simultaneously ensuring the delivery of quality K-12 public education system. This measure aims to insulate the Department from these kinds of budgetary reductions.

It is also important to note that the Department receives millions of dollars in federal funding each year. For each federal award, the program statute tied to the award establishes a maintenance of effort requirement upon the Department. Federal maintenance of effort provisions require the Department to demonstrate that the level of state and local funding remains relatively constant from year to year. Program statutes specify that the Department may receive the federal funds only if it can demonstrate that it maintained its non-federal fiscal effort as required by the statute. Noncompliance of the federal maintenance of effort requirements could result in the loss of millions of dollars in federal awards to the Department. This measure would safeguard the Department's ability to fulfill these obligations.

In response to concerns citing the narrative that non-general funds are not subject to transparency and accountability, the Department reiterates its ongoing commitment to ensuring open, accessible, and up-to-date information regarding non-general funds benefiting Hawaii's public schools. Please note the following:

1. On an annual basis, a detailed multi-year report on all non-general funds pursuant to HRS Chapter 37-47 is submitted to the Legislature and posted on the Department of Budget and Finance website along with all Departments' reports;
2. The Legislative Auditor conducts a review of all special, revolving, and trust funds at least once every five years as required by HRS Chapter 23-12 and submits the reports to the Legislature and posts all reports to their website;

3. The Department presents its entire operating budget request, inclusive of non-general fund ceiling requests, to the Hawaii State Board of Education (Board) annually for review and approval to ensure congruence of spending priorities with the Board's goals and objectives in an open meeting, and the recommendation memorandum and meeting minutes are posted to the Board's website;
4. The Department's Budget request is submitted to the Governor through the Department of Budget and Finance, and is reviewed and scrutinized by professional career analysts from the Department of Budget and Finance, appointed officials in the Department of Budget and Finance and the Governor's Office, and ultimately by the chief executive officer of State Government;
5. The Department's Budget request is submitted as part of the Governor's Executive Budget Request, which is subject to several months of detailed scrutiny by Legislators and their staff;
6. Allocations from the proposed fund would be subject to documentation posted to the Department's budget website detailing the amounts, distributions, and intended uses;
7. Total per-pupil expenditures statewide and by school are reported annually as part of the federally required Every Student Succeeds Act (ESSA) report card;
8. As a recipient of federal funds, the Department's Financial Statement is subject to an annual audit by an audit firm contracted by the State Auditor, as required by federal Office of Management and Budget's Uniform Guidance and state law. These audits are available on the State Auditor's and Department's website; and,
9. The Department is willing to engage in conversations if additional transparency is required to make progress on improving predictability and reliability of public school funding.

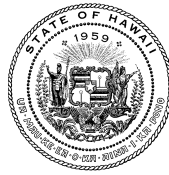
Finally, the Department appreciates the legislature's concerns to safeguarding direct school funding for our haumāna. Please consider reinstating the Department's flexibility by not limiting where general fund appropriations from the public education stabilization fund must be applied. Removing this limitation is consistent with the core aim that this measure proposes to address, which is to provide stability to the Department by ensuring its ability to be flexible in determining where best to allocate and direct critical funding.

Ensuring a vibrant K-12 public education system enables the fulfillment of educational goals and aspirations far beyond a student's successful completion of secondary education requirements. Stability and predictability of K-12 education revenues will enable the uninterrupted equitable provision of educational resources for all public school students in Hawaii.

Thank you for the opportunity to provide testimony on SB 815, SD2.

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.



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

House Committee on Education

Tuesday, March 16, 2021
2:00 p.m.
Via Videoconference
Hawaii State Capitol, Room 309

Senate Bill 815, Senate Draft 2, Relating to Education Funding

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

The Board of Education (“Board”) supports the intent of SB 815 SD2, which would establish maintenance of effort provisions for public education and establish a public education stabilization trust fund.

The Board supports proposed legislation that preserves 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.

The Board supports establishing a minimum level of funding for public education, or a “funding floor,” which would provide much needed funding stability and predictability for our public schools. The Board also supports the idea of a statutory maintenance of effort provision to protect the State’s eligibility for certain federal funds, thereby maximizing the resources available for public education.

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

A handwritten signature in black ink that reads "Catherine Payne".

Very truly yours,

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

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

ROBERT YU
DEPUTY DIRECTOR

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 EDUCATION
ON
SENATE BILL NO. 815, S.D. 2

March 16, 2021
2:00 p.m.
Via Videoconference

RELATING TO EDUCATION FUNDING

The Department of Budget and Finance (B&F) opposes Senate Bill (S.B.)
No. 815, S.D. 2.

S.B. No. 815, S.D. 2, establishes maintenance of effort (MOE) provisions for public education funding and a Public Education Stabilization Trust Fund (PESTF). The bill provides that the following revenues are to be deposited into PESTF:

- Sum from all general excise tax revenues realized by the State that represents the difference between State appropriations to the Department of Education (DOE) for the provision of free public education from the preceding fiscal year and the current fiscal year in which a deficit occurs.
- Any other appropriations by the Legislature to PESTF.
- Income and capital gains earned by PESTF.

PESTF is to be administered by DOE and used to compensate for any reductions in general fund appropriations for direct school funding programs from the preceding fiscal year to the current fiscal year. The bill also appropriates an unspecified amount of

general funds in FY 22 to be deposited into PESTF and unspecified amounts from PESTF in FY 22 and FY 23 to meet MOE requirements under this bill.

The MOE provisions require that if State appropriations to DOE for the current fiscal year are less than the preceding fiscal year, then the difference between the two years' appropriations is to be deposited to the credit of PESTF. The bill also provides for suspension of the MOE provisions under certain exceptional circumstances.

As a matter of general policy, B&F does not support dedication of general fund tax revenues for a specific purpose. We strongly believe that carve-outs of general fund revenues for specific purposes hinder the orderly prioritizing and funding of programs to meet statewide goals and objectives that the budgeting process is designed to achieve.

This bill will divert a portion of general excise tax proceeds, which represents approximately 50% of the general fund revenues for the State, to public education at times when the State can least afford it. Public education is one of the State's highest funding priorities and it is only during times of extraordinary fiscal duress that general fund appropriations for public education are reduced.

Further, it should be pointed out that the MOE provisions, as drafted, do not require any additional funding for DOE.

Thank you for your consideration of our 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>
1164 Bishop Street, Suite 1100, Honolulu, Hawaii
96813 Tel: (808) 586-3775 Fax: (808) 586-3776

FOR: SB 815 SD2 Relating to Education Funding
DATE: March 16, 2021
TIME: 2:00 P.M.
COMMITTEE: Committee on Education
ROOM: Conference Room 309
FROM: Yvonne Lau, Interim Executive Director
State Public Charter School Commission

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

The State Public Charter School Commission (“Commission”) appreciates the opportunity to submit this testimony in **SUPPORT of SB 815 SD2** which establishes maintenance of effort provisions, a public education stabilization trust fund, and makes appropriations.

As per pupil funding for our public charter schools are inherently tied to the funding for our Department public schools, namely program IDs EDN 100, 200, 300, and 400, the establishment of maintenance of effort provisions and a public education stabilization trust fund would provide all of our public schools, including our public charter schools, with the ability to weather future downturns in our economy and limit any drastic impacts on public education funding as we are seeing with the advent of the coronavirus pandemic.

Thank you for the opportunity to provide this testimony.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: GENERAL EXCISE, Sequestration of tax revenues for continued education funding

BILL NUMBER: SB 815, SD2

INTRODUCED BY: Senate Committee on Ways and Means

EXECUTIVE SUMMARY: Establishes maintenance of effort provisions. Establishes a public education stabilization trust fund. Requires reports. Makes appropriations.

SYNOPSIS: Adds a new section to chapter 237, HRS, providing that the difference between state appropriations to the department of education for the direct funding sources for the provision of free public education from the preceding fiscal year and the current fiscal year in which a lower appropriation occurs shall be deposited to the credit of the public education stabilization trust fund.

Adds a new subpart to chapter 302A, HRS, which among other things establishes the public education stabilization trust fund.

EFFECTIVE DATE: Upon approval.

STAFF COMMENTS: This measure, if enacted, would destabilize the appropriation process.

The apparent intent of the measure is that if the appropriation to the Department of Education is reduced for whatever reason in the current fiscal year, the difference between last year's and this year's appropriation is yanked from general excise tax collections and deposited into the public education stabilization trust fund, which seems to be intended to result in the same amount of money as last year being available for education anyway.

This results in problems for the budgeting process, which would have to deal with a sequestration from revenues as soon as the budget bill is enacted. That sequestration could unbalance the budget, leading to constitutional issues, or require the Governor to react to the sequestration by immediate budget restrictions. Then, naturally enough, other departments, their constituents, or their employee unions could argue that their department / constituency / employee base is being treated unfairly.

The stabilization fund proposed also raises issues.

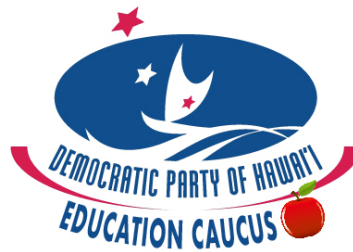
Section 37-62, HRS, requires that for a trust fund, "designated persons or classes of persons have a vested beneficial interest or equitable ownership, or which was created or established by a gift, grant, contribution, devise or bequest that limits the use of the fund to designated objects or purposes." Trust funds invoke a fiduciary responsibility of state government to care for and use only for those designated to benefit from the funds. A pension fund is an example of a trust fund. Contributions and payments are to be held for the beneficiaries of the pension fund. Another example is tenants' security deposits, which are held in trust for the future benefit of tenants and

landlords. Until forfeited or returned, deposits are the property of the tenants and should be accounted for accordingly. Here, there appears to be no class of persons with a vested beneficial interest or equitable ownership, so the fund does not appear to meet the statutory criteria for a trust fund.

If the fund is instead characterized as a special fund, it is doubtful that it would meet the criteria set forth in section 23-11, HRS, for special and revolving funds. The program the special fund would support would be the Department of Education operations. Those operations are funded by the general fund, so it would be difficult or impossible to demonstrate why a special fund is needed outside of the general fund appropriation process.

Rather, we should recognize the fund and the bill for what they are: an attempt to tie the hands of future legislatures by foisting upon them budgeting difficulties. The reality is that future legislatures are not, and cannot be, bound to the budgeting decisions of today. If a future legislature really wants to lower the budget of the Department of Education, perhaps in a year like this one where there simply is not enough money to go around, it can repeal the provisions introduced by this bill. The ideas in this bill complicate and obfuscate the budgeting process.

Digested 3/13/2021



SENATE BILL 815, SD 2, RELATING TO EDUCATION FUNDING

MARCH 12, 2021 · HOUSE EDUCATION COMMITTEE
· CHAIR REP. JUSTIN H. WOODSON

POSITION: Support.

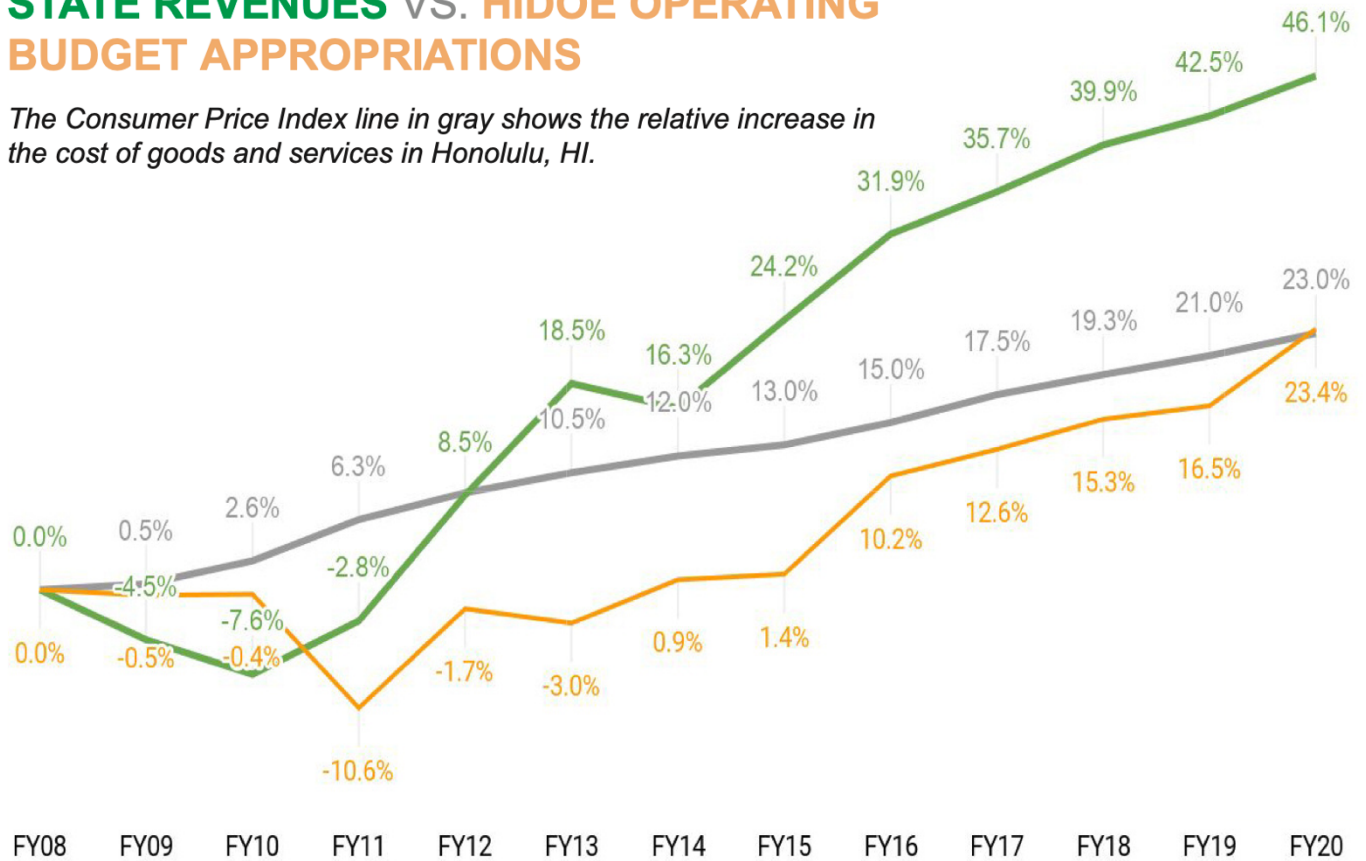
RATIONALE: The Democratic Party of Hawai'i Education Caucus **supports SB 815, SD 2**, relating to education funding, which establishes maintenance of effort provisions and establishes a public education stabilization trust fund.

We desperately need to increase 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 10 percent or more. 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. Education must be a priority for our state.

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.

We cannot give up the quest for a fully-funded school system. 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 Education

Representative Justin Woodson, Chair

Representative Jeanne Kapela, Vice Chair

Committee on Higher Education and Technology

Representative Gregg Takayama, Chair

Representative Lynn DeCoite, Vice Chair

March 16, 2021

Dear Chairs Woodson and Takayama, Vice Chairs Kapela and DeCoite, and Members of the Committee,

We would like to comment on SB 815 SD2, which establishes maintenance of effort provisions and a public education stabilization trust fund.

We like the changes made to SB 815 on calculating the amount to be deposited into the public education stabilization trust fund. We agree it should be the year-on-year comparison of “direct school funding programs” versus a year-on-year comparison of the entire state appropriations to the DOE. We interpret “direct school funding programs” as EDN 100 (school-based budgeting) and EDN 150 (special education funding).

The reason we prefer the direct school funding comparison is we want to stabilize funds where it impacts the students the most, which is in the classroom.

In addition, we are not comfortable with a special fund in which the DOE would have full discretion without transparency and accountability, the two tenants for which the Coalition consistently advocates. Stakeholders are entitled to know how our resources are being utilized to deliver the best outcomes for our students. We would expect that at a minimum, the Board of Education would have oversight on the use of such funds. Furthermore, we believe that these funds should be prioritized for teaching and learning in the classroom.

Hui for Excellence in Education, or “HE’E,” promotes a child-centered and strength-based public education system in which families, communities and schools are valued and empowered to help every student succeed. HE’E works to bring diverse stakeholders together to harness collective energy, share resources, and identify opportunities for progressive action in education.

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

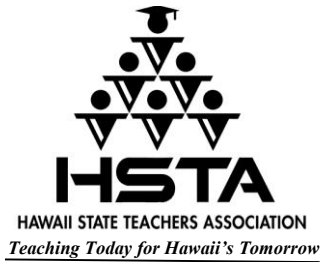
Sincerely,

Cheri Nakamura
HE’E Coalition Director



Academy 21
After-School All-Stars Hawai'i
Alliance for Place Based Learning
*Castle Complex Community Council
*Castle-Kahuku Principal and CAS
*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 Children's Action Network
Hawai'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
*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.*



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 and THE
COMMITTEE ON HIGHER EDUCATION & TECHNOLOGY

RE: SB 815, SD2 RELATING TO EDUCATION FUNDING

TUESDAY, MARCH 16, 2021

COREY ROSENLEE, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

Chair Woodson, Chair Takayama, and Members of the Committees:

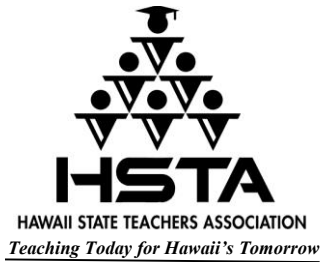
The Hawaii State Teachers Association **supports SB 815, SD2, with amendments.** This bill establishes maintenance of effort provisions. Establishes a public education stabilization trust fund. Makes appropriations.

This bill would require the use of General Excise Taxes to be applied to the DOE if either the DOE budget decreases by either a proportion of the state budget or if the budget is lower than previous fiscal year. The current proposal would require the maintenance of effort to be applied if the appropriation to the department is lower than the preceding ten years as a proportion of the overall budget. The DOE's proportion of the state budget's general funds has gone from 23.1% for FY14 to 19.7% in FY23. If implemented this would indicate that the DOE received \$234 million less in funding then if this bill was enacted. HSTA fully supports fixing the DOE's budget to a fixed percentage of the state's budget. The DOE has seen a decline of the state budget, and HSTA's believes this trend will only continue.

The second provision where the MOE would be applied is if the fiscal year appropriation is less than the preceding year. HSTA would also support this provision.

HSTA would ask that the bill be amended to delete "302A Maintenance of effort; Temporary Suspension" which would allow a temporary suspension of the MOE.

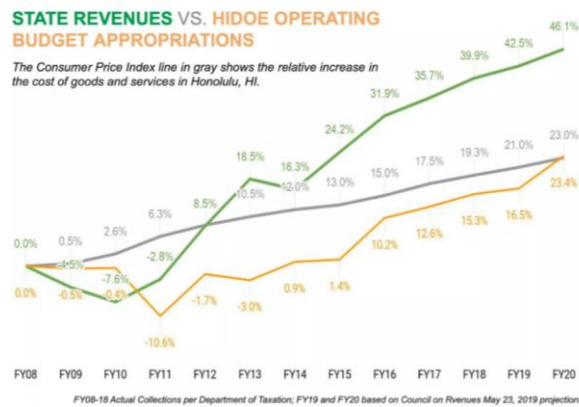
The DOE's budget does increase in years where the Consumer Price Increase(CPI) and decreases in year where the CPI declines. **By allowing the provision where the governor can suspend the MOE provision would negate the whole**



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

purpose of the bill. As the only time the bill would be needed is when there is an economic downturn.



Enacting an MOE bill would protect education funding, but only if these provisions can't be suspended.

Our public school funding should be protected. Accordingly, the Hawaii State Teachers Association asks your committee to **support** this bill, **with suggested amendments.**



Kamehameha Schools®

House Committees on Education and Higher Education & Technology

DATE: Tuesday, March 16, 2021
TIME: 2:00 P.M.
PLACE: VIA VIDEOCONFERENCE
State Capitol Room 309

TESTIMONY

By Wai‘ale‘ale Sarsona, EdD
Kamehameha Schools

RE: SB 815, SD2, Relating to Education Funding

E nā Luna Ho‘omalū Woodson a me Takayama, nā Hope Luna Ho‘omalū Kapela a me DeCoite, a me nā Lālā o kēia mau Kōmike o ka Hale o nā Lunamaka‘āinana, aloha kākou! My name is Dr. Wai‘ale‘ale Sarsona, the Vice President of Hi‘ialo at Kamehameha Schools.

Kamehameha Schools **supports the intent** of SB 815, SD2, which establishes maintenance of effort provisions, establishes a public education stabilization trust fund, and makes appropriations.

All children in Hawai‘i deserve a quality education that addresses their needs. Our public education system must be able to count on stable and predictable funding to serve them well. With such fiscal stability, the state can set clear expectations of the public education system’s performance and outcomes for students.

Founded in 1887, Kamehameha Schools is an educational organization striving to restore our people through education and advance a thriving Lāhui where all Native Hawaiians are successful, grounded in traditional values, and leading in the local and global communities. We believe that community success is individual success, Hawaiian culture-based education leads to academic success and local leadership drives global leadership.

‘A‘ohe ‘ulu e loa‘a i ka pōkole o ka lou. There is no success without preparation. **Please advance this measure.**



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
March 16, 2021

**Special Education
Advisory Council**

Ms. Martha Guinan, *Chair*
Ms. Dale Matsuura, *Vice Chair*
Ms. Ivalee Sinclair, *Vice Chair*

Ms. Andrea Alexander
Ms. Brendelyn Ancheta
Ms. Virginia Beringer
Ms. Mary Brogan
Ms. Deborah Cheeseman
Ms. Annette Cooper
Mr. Mark Disher
Dr. Kurt Humphrey
Ms. Tina King
Ms. Bernadette Lane
Ms. Cheryl Matthews
Ms. Kaili Murbach
Ms. Carrie Pisciotto
Ms. Kau'i Rezentos
Ms. Rosie Rowe
Dr. David Royer
Mr. James Street
Mr. Francis Taele
Mr. Steven Vannatta
Ms. Lisa Vegas
Ms. Jasmine Williams
Ms. Susan Wood

Ms. Annie Kalama, *liaison to
the Superintendent*
Dr. Bob Campbell, *liaison to
the military community*

Amanda Kaahanui, Staff
Susan Rocco, Staff

Representative Justin H. Woodson, Chair
Committee on Education
State Capitol
Honolulu, HI 96813

RE: SB 815, SD 2 - RELATING TO EDUCATION FUNDING

Dear Chair Woodson 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 the intent** of SB 815, SD 2 which establishes maintenance of effort provisions for funding K-12 public education and establishes a public education stabilization fund.


Maintenance of effort (MOE) is particularly important for the delivery of special education services. The Individuals with Disabilities Education Act requires that "a State must not reduce the total amount of State financial support for special education and related services for children with disabilities, or otherwise made available because of the excess costs of educating those children, below the amount of that support for the preceding fiscal year." 34 CFR 300.163(a) Failure to meet this requirement results in losing a proportion of federal funds in the following fiscal year.

Given that the largest expenditure in public education is for qualified personnel, any instability in staffing can lead to long-term negative effects on teacher recruitment and retention, and most importantly on student achievement. A public education stabilization fund will help to preserve the quality teaching and resources needed to ensure academic, behavioral and social-emotional supports to our public school students, particularly our most vulnerable students.

Mahalo for the opportunity to lend our support to this important legislation.

Respectfully,


Martha Guinan
Chair


Ivalee Sinclair
Legislative Committee

SB-815-SD-2

Submitted on: 3/15/2021 2:32:30 PM

Testimony for EDN on 3/16/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Dr. Jim Shon	Individual	Support	No

Comments:

Chair and Members. It is not clear that this bill also applies to charter schools. If it does, good. If not, please clarify that this (and other bills) do not narrowly apply only to our department schools when you actually intend them to also apply to charters.

Thank you.

Jim Shon