



# UNIVERSITY OF HAWAII SYSTEM

## ‘ŌNAEHANA KULANUI O HAWAII

### Legislative Testimony

#### Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

---

Testimony Presented Before the  
Senate Committee on Ways and Means  
February 22, 2023 at 10:00 a.m.

By

Kalbert K. Young

Vice President for Budget and Finance/Chief Financial Officer  
University of Hawai'i System

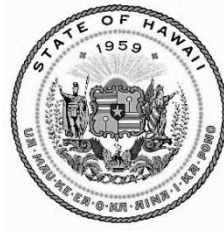
### SB 826 – RELATING TO THE SCHOOL FACILITIES AUTHORITY

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

Thank you for the opportunity to testify on this measure, which transfers \$200,000,000 of general funds previously appropriated to the School Facilities Authority of the Department of Education to the school facilities special fund. The University of Hawai'i (UH) supports recent efforts to expand access to affordable and quality early care and education opportunities throughout the State. In collaboration with key stakeholders, including the School Facilities Authority, UH is working on expanding its availability and offerings of early learning programs on a number of its campuses. And while we are still developing how these facilities and programs can be sustained, we believe that State support of early childhood programs and facilities – wherever they may be located – are valuable to advancing educational development and learning for Hawai'i keiki.

Providing additional flexibility in the timeline will allow the School Facilities Authority to continue the construction, renovation, improvement and expansion of prekindergarten classrooms across the State. The measure could also contemplate enabling the School Facilities Authority to either contract, or transfer to, other state agencies appropriation in order to further accelerate the development of new facilities.

Mahalo for the opportunity to provide testimony on this bill.



**STATE OF HAWAII**  
**SCHOOL FACILITIES AUTHORITY**  
75 AUPUNI STREET, STE. BASEMENT  
HILO, HAWAII 96720

February 22, 2023

**Testimony providing SUPPORT of SB826**  
**RELATING TO THE SCHOOL FACILITIES AUTHORITY**

SENATOR DONOVAN DELA CRUZ, CHAIR  
SENATE COMMITTEE ON WAYS AND MEANS  
Hearing Date: 02/22/2023 Room Number 211

The School Facilities Authority (SFA) is in **support** of S.B. 826, RELATING TO THE SCHOOL FACILITIES AUTHORITY.

The need for increasing the available pre-kindergarten facilities in the State is important to the education, welfare, and economic future of our working families. The SFA is committed to doing its part in reaching the goals set by the Legislature through Act 46 SLH2020 in utilizing the funds appropriated through Act 257 SLH2022.

The SFA appreciates the flexibility and consideration by the Legislature to move the fund appropriated in Act 257 SLH2022 into the SFA special fund. Doing so would provide flexibility and timing to allow the SFA to work with our program partners to determine how best to serve our keiki through the construction of pre-kindergarten classrooms.

The SFA also supports the recommendation made by Budget and Finance to move the date of the deposit into the special fund as noted in their testimony to the Senate Education committee. The SFA respectfully requests that an appropriation ceiling be set, equivalent to the deposited amount, for the SFA special fund to allow for the use of the deposited fund.

Thank you for the opportunity to provide testimony.



**STATE OF HAWAII**  
**Executive Office on Early Learning**  
2759 South King Street  
HONOLULU, HAWAII 96826

February 20, 2023

**TO:** Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair  
Senate Committee on Ways and Means

**FROM:** Yuuko Arikawa-Cross, Director  
Executive Office on Early Learning

**SUBJECT: Measure:** S.B. No. 826 – RELATING TO THE SCHOOL FACILITIES  
AUTHORITY  
**Hearing Date:** Wednesday, February 22, 2023  
**Time:** 10:00 am  
**Location:** Conference Room 211

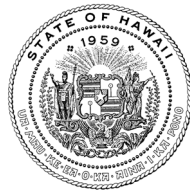
**EXECUTIVE OFFICE ON EARLY LEARNING'S POSITION: Support**

EOEL supports S.B. No. 826 and defers to the School Facilities Authority (SFA).

EOEL is committed to increasing access to affordable and high-quality early learning opportunities and is working collaboratively across stakeholders, including the SFA. EOEL appreciates the flexibility this bill affords the SFA regarding construction of pre-kindergarten classrooms.

We look forward to continuing to work with the Legislature to support increasing access to affordable quality early learning programs and services in the State. Thank you for the opportunity to testify on this bill.

JOSH GREEN, M.D.  
GOVERNOR



LUIS P. SALAVERIA  
DIRECTOR

SABRINA NASIR  
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  
*Ka 'Oihana Mālama Mo'ohelu a Kālā*  
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

**WRITTEN ONLY**  
TESTIMONY BY LUIS P. SALAVERIA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
SENATE BILL NO. 826

**February 22, 2023**  
**10:00 a.m.**  
**Room 211 and Videoconference**

RELATING TO THE SCHOOL FACILITIES AUTHORITY

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

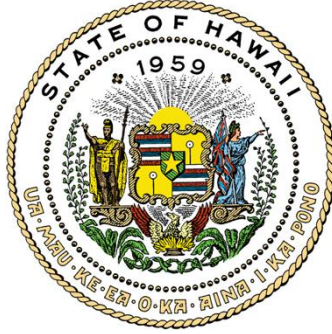
Senate Bill (S.B.) No. 826 amends Act 257, SLH 2022, by: 1) depositing the \$200,000,000 in general funds appropriated to the School Facilities Authority for pre-kindergarten facilities into the School Facilities Special Fund (SFSF) in FY 23; and 2) appropriating the same amount out of the SFSF in FY 23.

B&F would like to point out that S.B. No. 826 as drafted would adversely impact the State's efforts to meet federal Elementary and Secondary School Emergency Relief (ESSER) maintenance of effort (MOE) requirements in FY 23. State funds appropriated for pre-kindergarten facilities are not counted as support for elementary and secondary education in the ESSER MOE formula. Depositing the \$200,000,000 into the SFSF in FY 23 would increase the denominator, making it more difficult to meet the ESSER MOE requirement. Consequently, it is strongly recommended that the deposit be made in FY 24 instead.

B&F also notes that the present SFSF allowable uses may not accommodate all of the developing plans to increase pre-kindergarten classroom capacity. Amendments

to Section 302A-1706, HRS, "School facilities special fund" may be necessary if pre-kindergarten facility developments are being planned for non-school properties.

Thank you for your consideration of our comments.



OFFICE OF THE LIEUTENANT GOVERNOR  
*Ke Ke'ena O Ka Hope Kia'aina*

TO: Chair Donovan Dela Cruz  
Vice Chair Gilbert Keith-Agaran  
Members of the Senate Committee on Ways and Means

FROM: Sylvia Luke, Lieutenant Governor

RE: Testimony for S.B. 826 – Relating to the School Facilities Authority

DATE: February 22, 2023

Thank you for the opportunity to provide testimony in **strong support of S.B. 826, with a proposed technical amendment to deposit the monies in fiscal year 2024 instead of 2023 to ensure the State's federal maintenance of effort requirements are not impacted.** S.B. 1023 transfers \$200 million of general funds previously appropriated to the School Facilities Authority of the Department of Education to the school facilities special fund.

The Legislature passed Act 257, Session Laws of Hawaii 2022 which appropriated \$200 million for fiscal year 2022 – 23 for the School Facilities Authority to expand access to pre-Kindergarten to eligible children in our state. The changes proposed in H.B. 960 make technical amendments to designate that the funds be deposited into the school facilities special fund, however we support an amendment to deposit the funds in fiscal year 2024

Thank you for the opportunity to provide testimony in support of S.B. 826.



Committee on Ways and Means  
Senator Donovan Dela Cruz, Chair  
Senator Gilbert Keith-Agaran, Vice Chair

February 22, 2023

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee,

We support SB 826, which transfers \$200 million of general funds previously appropriated to the Schools Facilities Authority.

We support the additional flexibility provided by the transfer of general funds to the school facilities special fund to facilitate renovation and building of early learning facilities.

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 at least a 75% consensus of our voting membership.

Sincerely,

Cheri Nakamura  
HE'E Coalition Director



Academy 21  
American Civil Liberties Union  
Alliance for Place Based Learning  
Castle Complex Community Council  
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 Children's Action Network  
Hawai'i Nutrition and Physical Activity Coalition  
Hawai'i Scholars for Education and Social Justice  
\* 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  
\*Youth Service Hawai'i

*Voting Members (\*) Voting member organizations vote on action items while individual and non-voting participants may collaborate on all efforts within the coalition.*





# Kamehameha Schools®

Senate Committee on Ways and Means

Time: 10:00 a.m.

Date: February 22, 2023

Where: Conference Room 211

## TESTIMONY

By Dr. Wai‘ale‘ale Sarsona  
Vice President, Hi‘ialo

### RE: **SB 826, Relating to Early Learning**

E ka Luna Ho‘omalua Dela Cruz, ka Hope Luna Ho‘omalua Keith-Agaran, a me nā lālā o ke Kōmike o nā Loa‘a a me nā Ho‘olilo o ka ‘Aha Kenekoa, aloha kākou. My name is Dr. Wai‘ale‘ale Sarsona, Vice President of Hi‘ialo at Kamehameha Schools.

Kamehameha Schools **supports** SB 826, which transfers \$200,000,000 of general funds previously appropriated to the School Facilities Authority of the Department of Education to the school facilities special fund.

The enactment of Act 46 (2020) launched Hawai‘i on a path forward to ensure that every three- and four-year-old has access to early learning by year 2032. Hawai‘i is still recovering from the negative impacts of the pandemic in this sector, which resulted in the statewide decrease in capacity to provide childcare by 12%, including 2,850 fewer preschool seats. Our keiki cannot afford to lose any more.

Last session, and through Act 257 (2022), the Legislature made a significant advancement in ensuring that every three- and four-year-old has access to early learning by year 2032 by appropriating \$200 million to the School Facilities Authority (SFA) to expand access to pre-kindergarten to eligible children across the state. **SB826** will ensure a more expeditious expansion of pre-kindergarten throughout Hawai‘i, which will support A.L.I.C.E. (Asset Limited Income Constrained and Employed) families and serve all keiki in need of early learning. **Please advance this measure.**

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. Hānai i ke keiki; ola ka lāhui.

‘A‘ohe ‘ulu e loa‘a i ka pōkole o ka lou. There is no success without preparation.