

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
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 SENATE COMMITTEE ON EDUCATION
ON
HOUSE BILL NO. 1942, H.D. 1

March 14, 2022
3:00 p.m.
Room 229 and Videoconference

RELATING TO STUDENT TRANSPORTATION

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

House Bill No. 1942, H.D. 1, amends Section 302A-406, HRS, to require the Department of Education to establish a tiered student bus fare rate system to include a free bus pass for students and households that qualify for free or reduced lunch under the free and reduced-price lunch program. The measure also appropriates an unspecified amount of general funds in FY 23 to carry out the purposes of this bill.

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.

HB-1942-HD-1

Submitted on: 3/11/2022 11:36:02 PM

Testimony for EDU on 3/14/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jennifer Azuma Chrupalyk	Testifying for Administrator of Mahiku A'o Mai - a Native Farm	Support	Written Testimony Only

Comments:

As it relates to social services being used as a hand-up and not a hand-out, I fully support this bill. This is the kind of help that families need. Thank you.

DAVID Y. IGE
GOVERNOR

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

KEITH T. HAYASHI
INTERIM SUPERINTENDENT

Date: 03/14/2022

Time: 03:00 PM

Location: CR 229 & Videoconference

Committee: Senate Education

Department: Education

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

Title of Bill: HB 1942, HD1 RELATING TO STUDENT TRANSPORTATION.

Purpose of Bill: Requires the department of education to establish a tiered student bus fare rate system to include free bus passes for students and households that qualify for free or reduced lunch under the free and reduced price lunch program. Appropriates funds. Effective 7/1/2050. (HD1)

Department's Position:

The Hawaii State Department of Education (Department) respectfully provides comments for the committee's consideration on HB 1942, HD1.

Currently, bus fare monies collected each school year fund several programs and operational expenses, including city bus passes for McKinney-Vento Homeless Assistance Act students, mileage reimbursements, and various support services, with expenditures averaging \$2,400,000 annually.

The Department would need to collect and analyze the data over the next few years to determine the full scope of the financial impact of the bill. The current free and reduced lunch data may also be skewed due to the fact that all student were provided free meals this school year.

Mahalo for the opportunity to provide testimony on this measure.