



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

Date: 02/14/2022

Time: 03:15 PM

Location: CR 229 & Videoconference

Committee: Senate Education

Department: Education

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

Title of Bill: SB 2333 RELATING TO EDUCATION.

Purpose of Bill: Authorizes supplemental categorical funding for remote schools. Appropriates funds.

Department's Position:

The Hawaii State Department of Education (Department) appreciates the opportunity to provide testimony in support of SB 2333, relating to Weighted Student Formula (WSF) and remote schools, particularly the fiscal support it would provide for remote public schools.

The bill proposes to:

1. Establish in statute that remote schools may receive supplemental categorical funding, in addition to weighted student formula funds;
2. Define what would constitute a "remote school"; and
3. Appropriate categorical funds to remote schools.

The Reinventing Education Act of 2004 (Act 51) established WSF as the primary funding mechanism for schools' operating funds. The WSF primarily distributes funds based on student enrollment and needs as defined by demographic characteristics. However, because of the diverse makeup of our communities in the State of Hawaii, there are a handful of schools that are in geographically remote areas with little or no alternatives for students in those communities. Many of these schools, because of their location, also have very small populations, which leads to a relatively small WSF allocation.

While WSF currently includes provisions for base funding intended to provide schools a fixed amount allocated to each school regardless of size, the total WSF funding (base funding plus per pupil funding) allocated to some of these remote schools may still require these schools to economize by combining grades into a single classroom or reducing course offerings.

The Department believes that allocating funds that are designated to target these specific remote schools will provide the students in these communities with more opportunities and a more fulfilling learning experience. In addition, appropriating categorical general fund support will provide these schools with a more predictable and reliable level of funding, which will assist them in their strategic academic planning from year to year.

Based on the criteria included in the bill that limits "remote schools" to high schools, the Department has identified the following schools that would be considered "remote schools" if the bill passes:

1. Hana High and Elementary
2. Kau High and Pahala Elementary
3. Lanai High and Elementary
4. Molokai High
5. Niihau School (which is currently funded via categorical funds and does not receive a WSF allocation)

The Department would note that in addition to the first four schools listed above, the following five schools have been designated as "remote schools" for purposes of a Hawaii State Board of Education-approved supplemental allocation for School Years 2022-23 and 2023-24 of \$250,000 each.

1. Kaunakakai Elementary
2. Kilohana Elementary
3. Maunaloa Elementary
4. Molokai Middle

This temporary designation has been made possible with the use of federal Elementary and Secondary School Emergency Relief funds.

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 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 and schools.

Thank you for the opportunity to provide testimony on this measure.

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
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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
SENATE BILL NO. 2333

February 14, 2022
3:15 p.m.
Room 229 and Videoconference

RELATING TO EDUCATION

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

Senate Bill No. 2333 adds a new section to Chapter 302A, HRS, to authorize supplemental categorical funding for remote schools to support additional instructional and support staff and appropriates an unspecified amount of general funds in FY 23 for remote schools categorical funding.

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:

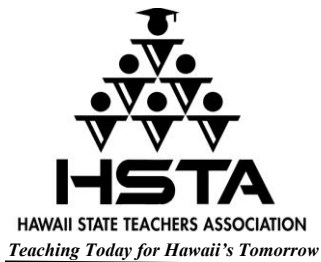
- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support 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.



Osa Tui, Jr.
President
Logan Okita
Vice President
Lisa Morrison
Secretary-Treasurer
Wilbert Holck
Executive Director

TESTIMONY BEFORE THE SENATE COMMITTEE ON EDUCATION

RE: SB 2333 - RELATING TO EDUCATION

MONDAY, FEBRUARY 14, 2022

OSA TUI, JR., PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

Chair Kidani and Members of the Committee:

The Hawaii State Teachers Association **supports SB 2333**, relating to education. This bill authorizes supplemental categorical funding for remote schools. Appropriates funds.

Since the passage of Act 51 in 2004, Hawai'i has experimented with a weighted student formula (WSF) to equalize school funding. Intended to make funding for public education more equitable, transparent, and decentralized, WSF had the unintended consequence of limiting academic programming for children in small and rural schools. A recent report commissioned by the Hawai'i Department of Education and completed by the American Institutes of Research (AIR) reveals that **“small or isolated schools do not have adequate funding under WSF and that the formula does not account adequately for diseconomies of scale associated with small schools or for additional costs due to geographic isolation.”**

Small and geographically remote schools sometimes lack sufficient funds to cover programming above and beyond basic operations. Isolated communities lack the economic breadth available to their urban counterparts, while experiencing distance from essential services and less access to technology. **The AIR, therefore, suggested that “extra support” be provided to schools that are small or isolated, including a recalculation of WSF to “accurately account for the differential costs of providing an equal opportunity for all students to achieve, regardless of their individual needs or circumstances (such as geographic location).”**

Because student populations at remote schools vary dramatically from year to year, funding for positions at such schools also changes annually, creating turbulence in staff requirements and course offerings. Challenges faced by small and remote schools because of inadequate WSF funding include staffing shortages, cutbacks to courses, a lack of librarians, and more. **At times, such schools do not have teachers to staff every grade level, if the school is an elementary school, or all core classes, if the school is a secondary school, presenting problems in the provision of minimum educational**

requirements to students. We cannot allow these schools to continue to struggle because of enrollment and geographical factors beyond their control.

To provide all keiki in Hawai'i with access to a quality education, the Hawaii State Teachers Association asks your committee to **support** this bill.

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>
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FOR: SB2333 Relating to Education
DATE: February 14, 2022
TIME: 3:15 P.M.
COMMITTEE: Committee on Education
ROOM: Conference Room 229 & Videoconference
FROM: Yvonne Lau, Interim Executive Director
State Public Charter School Commission

Chair Kidani, Vice Chair Kim, and members of the Committee:

The State Public Charter School Commission (“Commission”) appreciates the opportunity to submit this testimony in **STRONG SUPPORT of SB2333** which authorizes supplemental categorical funding for remote schools. Appropriates funds.

The Commission is deeply grateful for the inclusion of our public charter schools in this funding measure. 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.