SENATE CONCURRENT RESOLUTION

REQUESTING THE GOVERNOR TO ACCEPT THE RECOMMENDATIONS OF THE WORKING GROUP FORMED BY HAWAII'S CONGRESSIONAL DELEGATION TO DETERMINE THE MOST APPROPRIATE USES OF STATE FISCAL STABILIZATION FUND MONEYS, AND AUTHORIZE THE EXPENDITURE OF STATE FISCAL STABILIZATION FUND MONEYS IN ACCORDANCE WITH THE RECOMMENDATIONS OF THE WORKING GROUP.

WHEREAS, pursuant to the American Recovery and Reinvestment Act of 2009, the Governor is expected to receive a one-time appropriation from the federal government through the State Fiscal Stabilization Fund (SFSF) program; and

WHEREAS, as a condition of the appropriation, the Governor is expected to allocate SFSF funds to advance essential education reforms to benefit students from early learning through post-secondary education, including such uses as college- and career-ready standards and high-quality, valid and reliable assessments for all students, development and use of pre-kindergarten through post-secondary and career data systems, increasing teacher effectiveness and ensuring an equitable distribution of qualified teachers, and turning around the lowest-performing schools; and

WHEREAS, a working group has been convened by Hawaii's congressional delegation to consider appropriate uses of SFSF moneys and examine and determine the most appropriate uses of the anticipated SFSF funds in Hawaii; and

WHEREAS, the working group includes representatives of Hawaii's congressional delegation, the University of Hawaii, the Department of Education, and the Legislature, thereby capturing the intent and recommendations of the Legislature at both federal and state levels, and by the lower and higher education executive departments that stand to directly benefit from the use of the SFSF moneys; and

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WHEREAS, in anticipation of the imminent receipt and decision-making on the expenditure of SFSF moneys, the working group has examined the requirements for the proper use of SFSF moneys and has agreed on recommendations for the most appropriate use of the funds; and

WHEREAS, as of March 31, 2009, the State of Hawaii Department of Education (DOE) and the University of Hawaii (UH) are in agreement on a two-part Proposal for State Fiscal Stabilization Funds (SFSF) American Recovery and Reinvestment Act of 2009 (ARRA); and

WHEREAS, in Part A, 81.8 per cent (\$157,200,000 total) is to be shared by DOE and UH in the following proportion: DOE - 71.43 per cent (\$112,300,000) and UH - 28.57 per cent (\$44,900,000); and

 WHEREAS, this agreement is based on the total budgets of each entity, including general funds as reflected in H.B. No. 200, H.D. 1, and the continued availability to each of current levels of other funds including special and revolving funds, and recognizes that significant changes in the total budgets of either entity may require revisiting the allocations of SFSF between DOE and UH; and

WHEREAS, Part A includes the following:

(1) To be funded jointly by DOE and UH, each in proportion to their respective share of the SFSF:

(A) Provide Early Childhood educator training and support: \$1,000,000 over two years; and

(B) Create Longitudinal Student Data System (P-20; joint project): \$9,000,000 over two years (an assurance required by ARRA);

(2) To be funded by DOE from its share of the SFSF (an assurance required by ARRA which is specific to DOE): Develop required assessments (ELL Assessment, Alternative Assessment, Hawaiian Aligned Portfolio Assessment, OnLine HSA): \$17,000,000 over two years; and

 (3) Restore any budget reductions for FY 2009-10 and FY 2010-11:

(A) UH will restore funds to program IDs in proportion to cuts to each campus and systemwide programs; and

(B) DOE will restore: mandated programs at DOE; current services that enable the DOE to meet the assurances; provided that after the foregoing restorations, any federal SFSF funds remaining at DOE will be used for science labs, and school improvement for struggling schools; and

WHEREAS, in Part B: 18.2 per cent (\$35,000,000 total) is to be shared for capital improvement project lists of specific projects in the following proportion: UH - \$12,250,000 (35 per cent of funds) and DOE - \$22,750,000 (65 per cent of funds); now, therefore,

BE IT RESOLVED by the Senate of the Twenty-fifth Legislature of the State of Hawaii, Regular Session of 2009, the House of Representatives concurring, that pursuant to issuance of the recommendations of the working group, the Governor is requested to accept the recommendations as the most appropriate uses of SFSF moneys and authorize the expenditure of SFSF moneys consistent with the recommendations of the working group; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to members of the working group, the Governor, the Senate President, and the Speaker of the House of Representatives.