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 program; and

WHEREAS, as a condition of the appropriation, the Governor is expected to allocate State Fiscal Stabilization Fund moneys 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 State Fiscal Stabilization Fund moneys and examine and determine the most appropriate uses of the anticipated State Fiscal Stabilization Fund moneys 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 State Fiscal Stabilization Fund moneys; and

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

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

 WHEREAS, in Part A, 81.8 per cent (\$157,200,000 total) is to be shared by the Department of Education and the University of Hawaii in the following proportion: Department of Education - 71.43 per cent (\$112,300,000) and University of Hawaii - 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 State Fiscal Stabilization Fund moneys between the Department of Education and the University of Hawaii; and

WHEREAS, Part A includes the following:

(1) To be funded jointly by the Department of Education and the University of Hawaii, each in proportion to their respective share of the State Fiscal Stabilization Fund:

(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 the American Recovery and Reinvestment Act);

- (2) To be funded by the Department of Education from its share of the State Fiscal Stabilization Fund (an assurance required by the American Recovery and Reinvestment Act which is specific to the Department): 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 Fiscal Year 2009-2010 and Fiscal Year 2010-2011:
 - (A) The University of Hawaii will restore funds to program IDs in proportion to cuts to each campus and systemwide programs; and
 - (B) The Department of Education will restore:
 mandated programs at the Department; current
 services that enable the Department to meet the
 assurances; provided that after the foregoing
 restorations, any federal State Fiscal
 Stabilization Fund moneys remaining at the
 Department 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: University of Hawaii - \$12,250,000 (35 per cent of funds) and Department of Education - \$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 State Fiscal Stabilization Fund moneys and authorize the expenditure of State Fiscal Stabilization Fund 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 President of the Senate, and the Speaker of the House of Representatives.

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