

Written Comments

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Date: 01/29/2020

Time: 10:00 AM

Location: 211

Committee: Senate Ways and Means

Department: Education

Person Testifying: Dr. Christina M. Kishimoto, Superintendent of Education

Title of Bill: SB 0583 RELATING TO EDUCATION.

Purpose of Bill: Beginning with the 2019-2021 fiscal year, reduces the percentage from 6.5 per cent to 5.0 per cent of the total department of education's operating budget that can be expended for the department's administrative expenditures. Increases the per cent of appropriations for the total budget of the department that principals can expend from seventy per cent to seventy-five per cent.

Department's Position:

The Department of Education (Department) appreciates the opportunity to provide comments and its concerns regarding the intent and potential implications of SB 583.

The Department fully supports maximizing the use of its limited resources to advance student achievement and continues to focus efforts to increase school-based funding while balancing support provided at the Complex and State levels. The Department and Board of Education have embraced an empowerment model in approaching the work. To this end, the Department is committed to the thoughtful and regular review of its budget through the Committee on Weights (Committee) and Special Education Fiscal Allocation Work Group (SPED Work Group).

Committee on Weights

Through each of the 11 convenings of the Committee, the Department has performed an open, deliberative, and public review of its entire budget. During these in-depth examinations of centralized expenditures, Principals and others that have served on the Committee have had the opportunity to recommend shifting resources allocated to the State and Complex Area levels to the school-level Weighted Student Formula (WSF).

In the first few years of the Committee, numerous programs were moved into the WSF. Notably, Committee members have consistently expressed that they oppose shifting funds from the State or Complex level to schools if doing so would result in schools without additional discretionary

funds to support student achievement and/or an additional administrative burden.

All previous Committee recommendations and related actions taken by the Board of Education are posted to the Department's website.

<http://www.hawaiipublicschools.org/VisionForSuccess/SchoolDataAndReports/StateReports/Pages/Weighted-Student-Formula.aspx>.

SPED Work Group

From Fall 2018 - Spring 2019, the Department convened the SPED Work Group to specifically focus on the EDN150 Special Education program funds.

Similar to the methodology employed by the aforementioned Committee, the SPED Work Group reviewed all programs within EDN150 in the interest of enhancing transparency and predictability of special education funding and school-level flexibility to meet the needs of special education students. The Work Group did not recommend shifting State or Complex Area funding to the school level. The second convening of this Work Group is scheduled for Summer 2020.

Current Administrative Costs

Per the Federal Department of Education's National Center for Education Statistics annual report on Public School Expenditures by State, the Department's fiscal year (FY) 2016-17 expenditures for general administration on a per-pupil basis were the lowest in the nation.

Source: 2017 Summary Report Table 11

<https://www.census.gov/programs-surveys/school-finances.html>.

The Department recently released its Every Student Succeeds Act Per Pupil Expenditures (ESSA PPE) analysis and expenditures by schools for fiscal year 2018-19. This report shows that 72 percent of expenditures for all means of finance were made directly by schools, with the balance having been paid from the complex or state level. However, when considering those expenditures made at the State or Complex level that provide direct support for school activities (centralized expenditures), such as food services, utilities, student transportation, facilities, and special education, the amount expended by or on behalf of schools achieved 94.4%.

Should this measure move forward, the Department would appreciate additional clarity on the definition of "administrative expenditures" and the basis for establishing the percent targets for both "administrative expenditures" and "expended by principals."

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

The Hawai'i State Department of Education is committed to delivering on our promises to students, providing an equitable, excellent, and innovative learning environment in every school to engage and elevate our communities. This is achieved through targeted work around three impact strategies: school design, student voice, and teacher collaboration. Detailed information is available at www.hawaiipublicschools.org.