

Honolulu, Hawaii

FEB 17 2021

RE: S.B. No. 815
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Education, to which was referred S.B. No. 815 entitled:

"A BILL FOR AN ACT RELATING TO EDUCATION FUNDING,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish maintenance of effort provisions;
- (2) Establish a public education stabilization trust fund;
and
- (3) Make appropriations.

Your Committee received testimony in support of this measure from the Department of Education, Board of Education, State Public Charter School Commission, Hawaii State Teachers Association, Kamehameha Schools, Democratic Party of Hawai'i Education Caucus, and one individual. Your Committee received comments on this measure from the Department of Budget and Finance, Tax Foundation of Hawaii, and HE'E Hui for Excellence in Education.

Your Committee finds that the State faces a dire fiscal challenge with drastic cuts to the state budget and virtually every government service it provides, including education. The threat of decreased funding for K-12 public education reduces both



access to learning and the preservation of critical safety nets for a significant number of students, particularly the Department of Education's most vulnerable learners and their families.

Your Committee further finds that it must build on the foundation established by the weighted student formula of ensuring equity in access to educational opportunities for all students. It is also incumbent to promote predictability and stability of K-12 education revenues by committing a base of annual funding in the face of changing circumstances to ensure the continuous and uninterrupted equitable distribution of educational resources for all public school students. This measure establishes maintenance of effort provisions to increase funding for public education.

Your Committee has amended this measure by:

- (1) Specifying that the difference in state appropriations between fiscal years that shall be deposited into the public education stabilization trust fund shall only occur in deficits and not surpluses;
- (2) Specifying that the amount deposited into the public education stabilization trust fund shall only apply to reductions in general fund appropriations for direct school funding programs;
- (3) Specifying that the Department of Education shall make an appropriate allocation from the public education stabilization trust fund to ensure that any reductions in charter school programs are appropriately compensated in the same way as public school programs;
- (4) Requiring the Department of Budget and Finance to submit to the Legislature a report on general excise tax revenues diverted from the general fund to the public education stabilization trust fund and the impact that diversion had on other state departments and operations;
- (5) Specifying that the Department of Budget and Finance is to approve and the Department of Education is to prepare a report to be submitted to the Legislature on any money spent from the public education stabilization trust fund;



- (6) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 815, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 815, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Education,



MICHELLE N. KIDANI, Chair



The Senate
 Thirty-First Legislature
 State of Hawai'i

Record of Votes
Committee on Education
EDU

Bill / Resolution No.:* SB 815	Committee Referral: EDU, WAM	Date: 02/10/2021
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The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
KIDANI, Michelle N. (C)	/			
KIM, Donna Mercado (VC)		/		
DELA CRUZ, Donovan M.	/			
KANUHA, Dru Mamo	/			
FEVELLA, Kurt	/			
TOTAL	4	1		

Recommendation:
 Adopted
 Not Adopted

Chair's or Designee's Signature:


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*Only one measure per Record of Votes