DAVID Y. IGE GOVERNOR



DR. CHRISTINA M. KISHIMOTO SUPERINTENDENT

STATE OF HAWAI'I DEPARTMENT OF EDUCATION P.O. BOX 2360 HONOLULU, HAWAI'I 96804

> Date: 04/08/2021 Time: 10:00 AM Location: CR 211 & Videoconference Committee: Senate Ways and Means

Department: Education

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

Title of Bill: HB 0613, HD2, SD1 RELATING TO EDUCATION.

Purpose of Bill: Makes an emergency appropriation for fiscal year 2020-2021 from elementary and secondary school emergency relief fund (ESSER funds) moneys received by the State from the CARES Act and CRRS Appropriations Act to offset any budget reductions that are identified or proposed by the department of education and the governor that would result in the reduction of personnel who are subject to a collective bargaining agreement pursuant to chapter 89, HRS, and who are employed at the school level, including any budget reduction that results in a layoff, furlough, or pay reduction. Requires BOE and superintendent of education to certify in writing that BOE, superintendent, and DOE agree to certain conditions, including that the funds appropriated shall be used only for salaries and wages of officers and employees who are subject to a collective bargaining agreement and are employed at the school level in the classroom. Makes an appropriation for fiscal years 2021-2022 and 2022-2023 from the same source of funding and with the same conditions. Effective 7/1/2051. (SD1)

Department's Position:

The Hawaii State Department of Education (Department) respectfully offers comments on HB 613, HD 2, SD 1, which would direct the Department's use of all unexpended Elementary and Secondary School Emergency Relief (ESSER) grant funds awarded by the U.S. Department of Education.

The Department's top three priorities for this year are:

1. The restoration of the \$100.2 million cut to the base budget;

- 2. Retaining and maximizing federal relief funds to stabilize public schools; and
- Exploring with state leaders opportunities to secure a predictable, equitable, and stable source of K-12 funding (<u>https://www.hawaiipublicschools.org/DOE%20Forms/budget/HIDOELegislativePriorities</u> 2020-21.pdf).

This measure does not address these priorities as it seeks to direct all ESSER I and II funds to be used only for salaries and wages of employees who are subject to a collective bargaining agreement and are employed at the school level.

This proposal severely precludes the Department's ability to address unmet needs required to support public school students during the ongoing COVID-19 pandemic, which is the primary intent for the federal education relief funds implicated in this measure. The Department has been reporting on a monthly basis its use of ESSER funds at:

https://www.hawaiipublicschools.org/ConnectWithUs/Organization/Budget/Pages/CARES-spending-reports.aspx.

If enacted, this measure would require the Department to cancel existing encumbrances and retract allocation balances for these funds. This would halt the provision of connectivity for students to access the internet off-campus; health and safety measures to mitigate the impact of the COVID-19 pandemic and address the security issues that have been exacerbated by the limited use of school facilities; staff training to support the transition to new ways of teaching, learning, and student support in the current educational landscape; and the acquisition of an improved on-line learning platform to increase the capacity for virtual curriculum and instruction.

The Department submitted a proposed plan for the use of the second award of \$183.6 million of ESSER II funds to the Board of Education (Board) for review and approval: https://boe.hawaii.gov/Meetings/Notices/Meeting%20Material%20Library/02182021 GBM Boar d%20Action%20on%20Department%27s%20Plan%20for%20Federal%20Funds%20in%20the% 20New%20COVID-19%20Relief%20Package%20and%20Annual%20Spending%20Bill.pdf. On February 18, 2021, the Board approved the Department's use of funds in the current fiscal year to provide charter schools with a pro-rata share, to address the School Food Service shortfall in the current fiscal year.

In lieu of piecemeal budgeting contained in this measure for Fiscal Year (FY) 2021-22 and FY 2022-23, the Department would respectfully request an indication from lawmakers on what course of action will be incorporated into the Legislature's financial plan with regards to the current year shortfalls and into HB 200 (the measure introduced as the vehicle for the Executive Branch Biennium Budget for the items proposed to be funded with the federal funds in FY 2021-22). This would allow for a holistic assessment of available resources so that a comprehensive expenditure plan may be developed.

The Department would also like to refer to Governor's Message No. 6, dated April 1, 2021, which provides for the general fund restoration of priority Program Review Reductions and a significant portion of the \$100.2 million in FY 2020-21 cuts being considered to carry over into FY 2021-22 and FY 2022-23: <u>https://www.capitol.hawaii.gov/session2021/bills/GM6_.pdf.</u>

These general fund restorations are meant to position the State to meet the federal American Rescue Plan Act of 2021's maintenance of effort requirement for both lower and higher education. For the Department, the Governor is proposing that \$94,274,331 be restored in each fiscal year along with position restorations. The Department is working towards identifying how the funding should be allocated to the different EDNs and will be reaching out to the Committee since Governor's Message No. 6 has the entire amount programmed in EDN 100.

The Department would also point out that the unexpended balance of ESSER I and II funds would likely be insufficient to off-set the school-level portion of the \$141 million per year cut contained in the Governor's Budget Request that is currently before the Legislature. The inability of the federal funds to meet the shortage this measure seeks to address is complicated by State procedures that require employee fringe costs paid from non-general funds to be passed on to the non-general fund source. The current rate for budgeting purposes is 52%. It may be worthwhile to note that during the Great Recession when federal stabilization funds were allocated to the Department and the University of Hawaii to bridge the gap in general fund support, the Legislature included in the Executive Biennium Budget Bill, Act 162, SLH 2009 the following provision that waived this requirement:

"Section 162. Provided that for the use of Federal Stabilization funds the Department of Education and the University of Hawaii shall not be required to pay fringe benefit costs to the Department of Budget and Finance."

Thank you for the opportunity to provide comments 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.

DAVID Y. IGE GOVERNOR

EMPLOYEES' RETIREMENT SYSTEM HAWAI'I EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

OFFICE OF THE PUBLIC DEFENDER



CRAIG K. HIRAI DIRECTOR

ROBERT YU DEPUTY DIRECTOR

STATE OF HAWAI'I DEPARTMENT OF BUDGET AND FINANCE P.O. BOX 150 HONOLULU, HAWAI'I 96810-0150

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 WAYS AND MEANS ON HOUSE BILL NO. 613, H.D. 2, S.D. 1

April 8, 2021 10:00 a.m. Room 211 and Videoconference

RELATING TO EDUCATION

The Department of Budget and Finance (B&F) offers comments on House Bill No. 613, H.D. 2, S.D. 1.

_____, ____, ____, ____

This bill does the following:

- Makes an emergency appropriation of an unspecified amount for FY 21 from federal Elementary and Secondary School Emergency Relief (ESSER) Fund moneys received by the State from the Coronavirus Aid, Relief, and Economic Security (CARES) Act and Coronavirus Response and Relief Supplemental (CRRS) Appropriations Act to offset budget reductions proposed by the Department of Education (DOE) and Governor that would result in reduction of personnel who are subject to collective bargaining (CB) agreements and who are employed at the school level, including any budget reduction that results in a layoff, furlough, or pay reduction;
- Requires the Board of Education (BOE) and Superintendent of Education to certify that the BOE, Superintendent, and DOE agree to certain conditions, including that

the funds appropriated shall be used only for salaries of employees who are subject to CB agreements and are employed at the school level; and

 Appropriates \$104,175,932 for FY 22 and for FY 23 from the same sources of funding with the same conditions.

B&F has serious concerns that this bill could have unexpected consequences and would reduce DOE's flexibility to address changing requirements and circumstances during these difficult times caused by the COVID-19 pandemic and its negative economic impacts.

First, it is important to recognize that the COVID-19 pandemic has adversely affected DOE's budget by: 1) severely constraining State general fund support; and 2) increasing costs to address new unbudgeted requirements to maintain student learning and DOE operations. Combined, these two factors have laid to bare various underbudgeted and/or unbudgeted costs that DOE could "eat" in the past.

Second, it is our understanding that the ESSER I funding from the CARES Act has already been expended and/or encumbered for FY 20 expenses and a significant portion of the ESSER II funding from the CRRS Appropriations Act is needed to meet various unbudgeted and/or underbudgeted requirements in FY 21.

Third, in response to the recent enactment of the American Rescue Plan Act and the Council on Revenues' updated projection, the Administration has revised the general fund financial plan. As announced by the Governor, adjustments to the financial plan include elimination of planned furloughs and restoration of proposed reductions-in-force in the FB 2021-23 Executive Budget. These adjustments make moot much of the need for the appropriations proposed in this bill.

Finally, it should be pointed out that the State's budget situation is very fluid and has been so since the onset of the COVID-19 pandemic. It is in a state of almost

-2-

continuous flux as circumstances change, federal funding is made available, general fund revenue projections are updated, and new, unbudgeted expenses and requirements become known. To address this fluid situation, DOE needs to have a high degree of flexibility in utilizing available federal ESSER funding.

Thank you for your consideration of our comments.



STATE OF HAWAII BOARD OF EDUCATION P.O. BOX 2360 HONOLULU, HAWAI'I 96804

Senate Committee on Ways and Means

Thursday, April 8, 2021 10:00 a.m. Via Videoconference Hawaii State Capitol, Room 211

House Bill 613, House Draft 2, Senate Draft 1, Relating to Education

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

The Board of Education ("Board") appreciates the intent of HB613 HD2 SD1 but has comments. HB613 HD2 SD1 would require the Board and Department of Education ("Department") to use Elementary and Secondary School Emergency Relief Fund ("ESSER funds") moneys to offset any budget reductions that would result in the reduction of personnel who are subject to a collective bargaining agreement and who are employed at the school level.

While the Board supports proposed legislation that preserves funding and resources for student learning at the classroom level, the Board has concerns with the Legislature directing the Board how to allocate federal funds, especially because the Board and Department, as the State Educational Agency and Local Educational Agency, are accountable for the proper expenditure of such funds.

Rather than directing the Board and Department on how to expend non-recurring federal funds, it is more suitable for the Legislature to determine how much general funds it can appropriate to maintain as many resources at the classroom level as practicable. Governor David Ige proposed to give back approximately \$123 million in general funds to the Department following the Council on Revenue's revised revenue projections. The Legislature could ensure as minimal impact to the classroom level as possible by appropriating these previously unavailable general funds as necessary or going a step further and restoring the Department's base budget.

Additionally, the Board already authorized the Department to expend a portion of the ESSER II funds at its meeting on February 18, 2020 and after considering a significant

volume of testimony from the public, including teachers. The Board authorized the Department to expend a portion of ESSER II funds as necessary to provide charter schools with their pro rata share, to cover shortfalls in the current fiscal year for the teacher differentials and school food services programs, and to cover the teacher differentials program in Fiscal Year 2022. The Board determined these critical areas need these federal funds now.

The Board appreciates the Legislature's eagerness to join the public conversation about the best use of the ESSER funds. The Board directed the Department to return to the Board for further discussions on the use of any remaining relief funds after Congress passed another round of federal relief funds and when this Legislature passes the state biennium budget. We anticipate reviewing the Department's plans for the remaining ESSER funds on May 20, 2021. We look forward to working in concert with the Legislature to ensure adequate funding and resources for student learning at the classroom level, including for our most vulnerable students who are economically disadvantaged, English learners, or receiving special education services.

Thank you for this opportunity to testify on behalf of the Board.

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Very truly yours,

Catherine Payne Chairperson, Board of Education Chairperson, 2021 Legislative Ad Hoc Committee



Committee on Ways and Means Senator Michelle Kidani, Chair Senator Donna Mercado Kim, Vice Chair

April 8, 2021

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee,

This testimony is in support of HB613 HD2, SD1, which makes an emergency appropriation for fiscal year 2020-2021 from elementary and secondary school emergency relief fund (ESSER funds) moneys received by the State from the CARES Act and CRRS Appropriations Act to offset any budget reductions that are identified or proposed by the department of education and the governor that would result in the reduction of personnel who are subject to a collective bargaining agreement pursuant to chapter 89, HRS, and who are employed at the school level, including any budget reduction that results in a layoff, furlough, or pay reduction. The bill requires BOE and superintendent of education to certify in writing that BOE, superintendent, and DOE agree to certain conditions, including that the funds appropriated shall be used only for salaries and wages of officers and employees who are subject to a collective bargaining agreement and are employed at the school level in the classroom.

Throughout the discussions at the BOE on budget reductions and the use of federal funds, HE'E has strongly advocated that along with ensuring health and safety for all, a top priority of the DOE should be maintaining quality instruction in the classroom. This means that positions at the school level, and in particular, in the classroom, should be maintained. Teachers and staff in the classroom are closest to our students and have the greatest influence and impact on our students. We, therefore, strongly support the amendment which specifies that the funds be used for those "who are employed at the school level <u>in the classroom.</u>"

Thank you for the opportunity to testify. Our support represents a 75% consensus or more of our voting membership.

Sincerely,

Cheri Nakamura HE'E Coalition Director



Academy 21 American Civil Liberties Union After-School All-Stars Hawai'i Alliance for Place Based Learning *Castle Complex Community Council *Castle-Kahuku Principal and CAS Coalition for Children with Special Needs Education Institute of Hawai'i *Faith Action for Community Equity Fresh Leadership LLC Girl Scouts Hawaii Harold K.L. Castle Foundation *HawaiiKidsCAN *Hawai'i Afterschool Alliance *Hawai'i Appleseed Center for Law and Economic Justice *Hawai'i Association of School Psychologists Hawai'i Athletic League of Scholars *Hawai'i Charter School Network *Hawai'i Children's Action Network Hawa'i Education Association Hawai'i Nutrition and Physical Activity Coalition * Hawai'i State PTSA Hawai'i State Student Council Hawai'i State Teachers Association Hawai'i P-20 Hawai'i 3Rs Head Start Collaboration Office It's All About Kids *INPEACE Joint Venture Education Forum

Junior Achievement of Hawaii Kamehameha Schools Kanu Hawai'i *Kaua'i Ho'okele Council Keiki to Career Kaua'i Kupu A'e *Leaders for the Next Generation Learning First McREL's Pacific Center for Changing the Odds Native Hawaiian Education Council **Our Public School** *Pacific Resources for Education and Learning *Parents and Children Together *Parents for Public Schools Hawai'i **Special Education Provider Alliance** *Teach for America The Learning Coalition **US PACOM** University of Hawai'i College of Education Voting Members (*) Voting member organizations vote on action items while individual and non-voting participants may collaborate on all efforts within the coalition.



1200 Ala Kapuna Street + Honolulu, Hawaii 96819 Tel: (808) 833-2711 + Fax: (808) 839-7106 + Web: www.hsta.org

> Corey Rosenlee President Osa Tui Jr. Vice President Logan Okita Secretary-Treasurer

Wilbert Holck Executive Director

TESTIMONY BEFORE THE SENATE COMMITTEE ON WAYS & MEANS

RE: HB 613, HD2, SD1 RELATING TO EDUCATION FUNDING

THURSDAY, APRIL 8, 2021

COREY ROSENLEE, PRESIDENT HAWAII STATE TEACHERS ASSOCIATION

Chair Dela Cruz and Members of the Committee:

The Hawaii State Teachers Association strongly supports HB 613, HD2, SD1, with suggested amendment, relating to education funding. This bill makes an emergency appropriation for fiscal year 2020-2021 from elementary and secondary school emergency relief fund (ESSER funds) moneys received by the State from the CARES Act and CRRS Appropriations Act to offset any budget reductions that are identified or proposed by the department of education and the governor that would result in the reduction of personnel who are subject to a collective bargaining agreement pursuant to chapter 89, HRS, and who are employed at the school level, including any budget reduction that results in a layoff, furlough, or pay reduction. Requires BOE and superintendent of education to certify in writing that BOE, superintendent, and DOE agree to certain conditions, including that the funds appropriated shall be used only for salaries and wages of officers and employees who are subject to a collective bargaining agreement and are employed at the school level in the classroom. Makes an appropriation for fiscal years 2021-2022 and 2022-2023 from the same source of funding and with the same conditions. Effective 7/1/2051. (SD1)

The Hawaii State Teachers Association supports this bill, and respectfully asks for an amendment to revert back to previous language that would apply this bill to employees at the school level as well, not just those employees in the classroom, as we know how important our counselors are along with our support staff who support the classroom, even though they may not be in the classroom.

Time is of the essence. HSTA was able to work out a compromise with the Department of Education to delay the TATP until March 8. More than 1,000 DOE employees had been told that their positions have been eliminated at their schools. Although some of these DOE employees have been told their positions have been saved, many have



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> Corey Rosenlee President Osa Tui Jr. Vice President Logan Okita Secretary-Treasurer

Wilbert Holck Executive Director

not been told this news. Thus to ensure that our teachers and support personnel who are needed to support our students, we ask that you pass this bill to ensure funding needed as a priority. Using a combination of the additional \$123 million added back to the DOE budget, the \$174 million from the COVID Relief Stimulus Bill, and the remainder of the CARES Act, it is HSTA's position that the BOE can eliminate all layoffs and eliminate any pay cuts.

Originally the cut to the DOE was \$264 million, with the DOE actually planning for a \$164 million cut. Using the Governor's \$123 million added back to the DOE, the first step is to apply a \$100 million of the money to \$100 million that was never cut in the first place, and using the remainder, \$23 million, to defray any school level cuts.

As part of the \$164 million cut to the DOE budget, \$132 million was school level cuts to EDN100 and EDN150. \$23 million of the Governor's \$123 million should be applied to these cuts, which restore 17% of their cuts.

At the last BOE meeting Assistant Superintendent Hallett shared that the original cuts amounted to approximately \$74 million in labor savings from layoffs, which was based on 1316 employee positions, including 798 teachers. By using the \$23 million, it would leave only \$51 million from the stimulus would be needed to avoid layoffs.

The Governor's budget has restored \$146 million in labor savings or a reduction of 50% the previous budget, using this projection the DOE could avoid pay cuts for its employees at \$64 million a year. At this time, however, the reductions of pay cuts has not been provided to HSTA.

Sections 315, of the federal stimulus bill(HR133) states, "shall, to the greatest extent practicable, continue to pay its employees and contractors during the period of any disruptions or closures related to coronavirus."

In Connecticut's Governor in issuing directions to the local education agencies stated, LEAs "[s]hall continue to employ or restore to employment if already laid off, and pay school staff who are directly employed by the local or regional board of education, including but not limited to teachers, paraprofessionals and other support staff, cafeteria staff, clerical staff and custodial workers, to the greatest extent practicable."

A legal opinion based on that order stated, "The intent behind the Order is clear; school districts should seek to maintain their employees as best they can.".



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> Corey Rosenlee President Osa Tui Jr. Vice President Logan Okita Secretary-Treasurer

Wilbert Holck Executive Director

HSTA also believes this is a stop gap measure until Biden's 1.9 trillion American Rescue Plan passes sometime in March. If the same formulas are used Hawaii's DOE could see close to \$450 million.

Actions need to happen as soon as possible in order to avoid potential long term losses of teachers and other support employees within the HIDOE and to protect the long term impact to our keiki Thus, HSTA asks your committee to **support** this bill.

HAWAII GOVERNMENT EMPLOYEES ASSOCIATION AFSCME Local 152, AFL-CIO



RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Thirty-First Legislature, State of Hawaii The Senate Committee on Ways and Means

Testimony by The Hawaii Government Employees Association

April 8, 2021

H.B. 613, H.D. 2, S.D. 1 - Relating to Education

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO is in strong opposition to H.B. 613, H.D. 2, S.D. 1, which makes an emergency appropriation for fiscal year 2020-2021 from ESSER funds received by the State from the CARES Act and CRRS Appropriations Act to offset any budget reductions that are identified or proposed by the department of education and the governor that would result in the reduction of personnel who are subject to a collective bargaining agreement pursuant to chapter 89, HRS, and who are employed at the school level, including any budget reduction that results in a layoff, furlough, or pay reduction.

We oppose the amendment made by the Senate Committee on Education to limit the employees covered by this emergency appropriation to those employed at the school level "in the classroom." The ESSR funds were intended to provide schools with the resources necessary to maintain the operation and continuity of ALL school services and not just the services provide in the classroom.

To successfully operate our schools and educate our children it takes a complete team: administrators, custodial staff, cafeteria staff, office support as well as the teachers and educational assistants in the classroom. Classrooms alone do not define a school community.

Throughout the pandemic, as learning was done long distance, it was these very support staff that kept our schools operating, including caring for our most vulnerable special needs children in person, as well as providing meals for pickup. To suggest that these employees do not count the same as classroom staff is in appropriate and unfair.

H.B. 613. H.D. 2, S.D. 1 Committee on Ways and Means April 8, 2021

This measure should be amended to require the BOE and superintendent of education to implement the use of these funds as intended by the Congress – for all school level employees, and not limit the use of funds for classroom staff only. Anything less is a disservice to the many support staff who keep our schools operating and care for our students.

We urge your committee to see this bigger picture and amend this legislation to reflect its true intent.

espectfully submitted,

Randy Perreira Executive Director

<u>HB-613-SD-1</u>

Submitted on: 4/6/2021 2:26:10 PM Testimony for WAM on 4/8/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
cheryl B.	Individual	Support	No

Comments:

Support

Please make sure the funds go to the children and those who work closest with them, the educators and staff. Make the DOE accountable in every way.

April 8, 2021 Committee on Ways and Means Senator Michelle Kidani, Chair Senator Donna Mercado Kim, Vice Chair

State Capitol 415 South Beretania Street Honolulu, HI 96813

Aloha Chair Kidani, Vice Chair Kim, and Members of the Committee,

I am a student from Kalani High School. I strongly support HB613 HD2 SD1.

Hawaii has been struggling from a teacher shortage crisis since pre-covid times. According to HSTA, more than 60,000 keiki are not taught by a Hawaii Qualified Teacher each year. With the current budget cut announced by the Department of Education, HSTA expects to lose another 700 teachers across the state and over 1,000 employees due to layoffs this year. It will exacerbate the teacher shortage crisis and degrade the learning at public schools since the low number of teachers will lead to higher class sizes and fewer educational programs to be operated.

HB 613 HD 2 SD1 utilizes Elementary and Secondary School Emergency Relief (ESSER) funds to withdraw any budget reductions identified by the Department of Education, resulting in a layoff, furlough, or pay reduction.

As a student of public high school, I solely understand the importance of the number and quality of teachers, who help us maximize our learning in the classrooms. I was nine when I immigrated from Japan to this island and began to attend an elementary school here. I only knew basic English at that time, causing me to struggle to communicate with people at my school, understand the class lectures, and complete homework. However, teachers were always there to assist me learn and feel safe in the new school environment. They devoted their time in the mornings, after school, and during class time to answer my questions, explain the instructions differently, and speak slower to ensure I was understanding and learning. I was able to advance my English quickly from their support, motivating myself to write this testimony to notify the influence that teachers have on students' development and to maintain their employment status. Quality teachers are vital for students to absorb the learnings in school.

Please do not remove quality teachers from our classrooms. Teachers do not deserve the layoff, furlough, or pay cut; same for students: we do not deserve our learning to be limited in the school. The appropriation of ESSER funds will prevent quality teachers from leaving and helps maintain education quality in public schools. HB 613 HD2 SD1 is an indispensable bill for both teachers and students.

Mahalo for your time,

Mana Iketani

Kalani High School Junior