

MAR 11 2022

SENATE RESOLUTION

URGING THE DEPARTMENT OF EDUCATION TO PROVIDE AND PUBLISH
INFORMATION RELATED TO FEDERAL IMPACT AID.

1 WHEREAS, the United States Department of Defense is not
2 meeting its financial obligations to Hawaii's public schools;
3 and
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5 WHEREAS, pursuant to section 3 of United States Public Law
6 81-874, the Department of Defense is required to pay impact aid
7 to the State to offset the financial burden on the State's
8 public education system of non-taxable military lands and non-
9 payment of income and general excise tax by military personnel;
10 and
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12 WHEREAS, according to the Department of Education, however,
13 in fiscal year 2019, the federal impact aid reimbursement paid
14 to the State was only 12.91 percent of the total per-pupil cost
15 of educating eleven thousand to fourteen thousand military
16 students; and
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18 WHEREAS, when reimbursing tuition for federally connected
19 students attending approved overseas schools, the Department of
20 Defense Education Activity office calculates reimbursement rates
21 using the "full cost recovery method", in compliance with
22 Government Accountability Office guidelines; and
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24 WHEREAS, applying this same methodology of full cost
25 recovery to military students in Hawaii, the Department of
26 Defense owes the State approximately \$170,687,000 to
27 \$217,238,000 for fiscal year 2019 alone; and
28

29 WHEREAS, state income tax and general excise tax are the
30 primary sources of funding for the Department of Education; and
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32 WHEREAS, when Department of Defense families utilize the
33 State's public education system without paying full, or any,
34 income or excise taxes, and the Department of Defense does not
35 fully reimburse the State for these students' educational costs,



1 Hawaii residents and taxpayers effectively, and unfairly,
2 substantially subsidize the military students' education; and
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4 WHEREAS, over time, this amounts to several billion dollars
5 owed by the Department of Defense to the State for costs borne
6 by Hawaii's residents; and
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8 WHEREAS, an annual report to the Legislature and the public
9 is thus needed to hold the Department of Defense accountable for
10 moneys owed; now, therefore,
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12 BE IT RESOLVED by the Senate of the Thirty-first
13 Legislature of the State of Hawaii, Regular Session of 2022,
14 that the Department of Education is requested, no later than
15 twenty days prior to the convening of the Regular Session of
16 2023 and no later than twenty days prior to the convening of
17 each Regular Session thereafter, to report to the Legislature
18 and publish on the department's website a summary of the federal
19 impact aid owed and paid by the United States Department of
20 Defense pursuant to section 3 of United States Public Law 81-
21 874; and
22

23 BE IT FURTHER RESOLVED that the Department of Education is
24 requested to include the following in its annual reports and
25 online publications:
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- 27 (1) The total number of federally connected and military
28 students attending Department of Education schools and
29 the per-pupil cost of the students' education;
30
31 (2) The full cost recovery method calculation for federal
32 impact aid reimbursement owed for the year, in
33 compliance with Government Accountability Office
34 guidelines;
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36 (3) The basic support payment calculation for federal
37 impact aid reimbursement owed for the year; and
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39 (4) The total amount of federal impact aid paid that year
40 by the Department of Defense; and
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