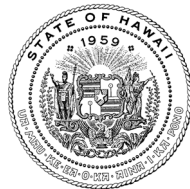


JOSH GREEN, M.D.  
GOVERNOR



LUIS P. SALAVERIA  
DIRECTOR

SABRINA NASIR  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII  
DEPARTMENT OF BUDGET AND FINANCE  
*Ka 'Oihana Mālama Mo'ohelu a Kālā*  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT

TESTIMONY BY LUIS P. SALAVERIA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEE ON EDUCATION  
ON  
HOUSE BILL NO. 960, H.D. 1

**March 15, 2023**  
**3:00 p.m.**  
**Room 229 and Videoconference**

RELATING TO THE SCHOOL FACILITIES AUTHORITY

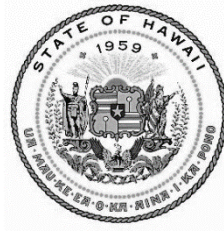
The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill (H.B.) No. 960, H.D. 1, which amends Act 257, SLH 2022, by depositing the \$200,000,000 in general funds appropriated to the School Facilities Authority into the School Facilities Special Fund (SFSF) and appropriates an undetermined amount out of the SFSF in FY 23.

H.B. No. 960, H.D. 1, as drafted would adversely impact the State of Hawai'i's efforts to meet American Rescue Plan Elementary and Secondary School Emergency Relief program maintenance of effort (MOE) requirements which extend through FY 23. State funds appropriated for school facilities construction and renovation are not counted as support for elementary and secondary education in the MOE formula. Consequently, it is strongly recommended that the deposit be made in FY 24 instead.

B&F also notes that the present special fund allowable uses may not accommodate all of the developing plans to increase pre-kindergarten classroom capacity. Amendments to Section 302A-1706, HRS, "School facilities special fund" may be necessary.

Thank you for your consideration of our comments.



**STATE OF HAWAII**  
**SCHOOL FACILITIES AUTHORITY**  
75 AUPUNI STREET, STE. BASEMENT  
HILO, HAWAII 96720

March 13, 2023

**TESTIMONY PROVIDING SUPPORT OF HB960 HD1  
RELATING TO THE SCHOOL FACILITIES AUTHORITY**

SENATOR MICHELLE N. KIDANI, CHAIR  
SENATE COMMITTEE ON EDUCATION

Hearing Date: 03/15/2023

Room Number 229

The School Facilities Authority (SFA) is in **support** of H.B. 960 HD1, RELATING TO THE SCHOOL FACILITIES AUTHORITY.

The need for increasing the available pre-kindergarten facilities in the State is important to the education, welfare, and economic future of our working families. The SFA is committed to doing its part in reaching the goals set by the Legislature through Act 46 SLH2020 in utilizing the funds appropriated through Act 257 SLH2022.

The SFA appreciates the flexibility and consideration by the Legislature to move the fund appropriated in Act 257 SLH2022 into the SFA special fund. Doing so would provide flexibility and timing to allow the SFA to work with our program partners to determine how best to serve our keiki through the construction of pre-kindergarten classrooms.

The SFA also supports the recommendation made by Budget and Finance to move the date of the deposit into the special fund as noted in their prior testimony to the House Education committee. The SFA appreciates the appropriation language so that it may continue to utilize the funds for pre-kindergarten facility expansion

Thank you for the opportunity to provide testimony.



**STATE OF HAWAII**  
**Executive Office on Early Learning**  
2759 South King Street  
HONOLULU, HAWAII 96826

March 13, 2023

**TO:** Senator Michelle N. Kidani, Chair  
Senator Donna Mercado Kim, Vice Chair  
Senate Committee on Education

**FROM:** Yuuko Arikawa-Cross, Director  
Executive Office on Early Learning

**SUBJECT: Measure:** H.B. No. 960 H.D. 1 – RELATING TO THE SCHOOL FACILITIES  
AUTHORITY  
**Hearing Date:** Wednesday, February 24, 2023  
**Time:** 3:00 PM  
**Location:** Conference Room 229

**EXECUTIVE OFFICE ON EARLY LEARNING'S POSITION: Support**

EOEL supports H.B. No. 960 H.D. 1 and defers to the School Facilities Authority (SFA).

EOEL is committed to increasing access to affordable and high-quality early learning opportunities and is working collaboratively across stakeholders, including the SFA. EOEL appreciates the flexibility this bill affords the SFA regarding construction of pre-kindergarten classrooms.

We look forward to continuing to work with the Legislature to support increasing access to affordable quality early learning programs and services in the State. Thank you for the opportunity to testify on this bill.



Committee on Education  
Senator Michelle Kidani, Chair  
Senator Donna Mercado Kim, Vice Chair

March 15, 2023

Dear Chair Kidani, Vice Chair Mercado Kim, and Members of the Committee,

We support HB 960 HD1, which transfers \$200 million of general funds previously appropriated to the Schools Facilities Authority.

We support the additional flexibility provided by the transfer of general funds to the school facilities special fund to facilitate renovation and building of early learning facilities. Access to quality early learning opportunities helps students be prepared to enter our K-12 system. We thank the legislature for its focus on expanding early learning seats for our keiki.

Hui for Excellence in Education, or "HE'E," promotes a child-centered and strength-based public education system in which families, communities and schools are valued and empowered to help every student succeed. HE'E works to bring diverse stakeholders together to harness collective energy, share resources, and identify opportunities for progressive action in education.

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

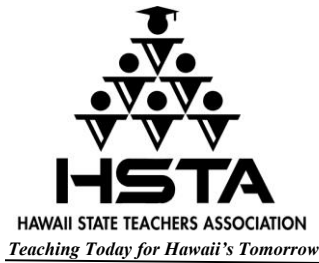
Sincerely,

Cheri Nakamura  
HE'E Coalition Director



Academy 21  
American Civil Liberties Union  
Alliance for Place Based Learning  
Castle Complex Community Council  
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 Children's Action Network  
Hawai'i Nutrition and Physical Activity Coalition  
Hawai'i Scholars for Education and Social Justice  
\* 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  
\*Youth Service Hawai'i

*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

Osa Tui, Jr.  
President  
Logan Okita  
Vice President  
Lisa Morrison  
Secretary-Treasurer  
Ann Mahi  
Executive Director

## TESTIMONY BEFORE THE SENATE COMMITTEE ON EDUCATION

RE: HB 960 HD1- RELATING TO THE SCHOOL FACILITIES AUTHORITY

WEDNESDAY, MARCH 15, 2023

OSA TUI, JR., PRESIDENT  
HAWAII STATE TEACHERS ASSOCIATION

Chair Kidani and Members of the Committee:

The Hawaii State Teachers Association **supports HB 960 HD1**, relating to the school facilities authority. The bill transfers \$200,000,000 of general funds previously appropriated to the school facilities authority of the department of education to the school facilities special fund. Appropriates an unspecified amount of funds out of the school facilities special fund **for the school facilities authority to expand access to eligible children for pre-kindergarten**

**We know well the importance of early learning and that it begins in preschool. High quality early education represents one of the best investments we can make for our collective future, especially that of our young keiki. To facilitate the demand for public preschools in Hawaii we believe it is important to aim for a preschool on every elementary school campus across the state, including our public charter schools. The School Facilities Authority is ready to build these.**

**Building preschool facilities on already existing and operating elementary school campuses will help in terms of time and money as both the land and infrastructure are readily available for construction of preschools.** What's more, once the preschools are built and operating, it could provide convenience for families with multiple young children, as well as the potential to share resources and staff across the campus.

We need to expand public preschool. Now is the time to move quickly ahead. Families across Hawaii cannot wait any longer for early learning and preschool options for their keiki.

Passing this bill would provide flexibility and timing to allow the SFA to work with their program partners to determine how best to serve our keiki through the construction of pre-kindergarten classrooms. HSTA also supports the SFA's recommendation made by Budget and Finance to move the date of the deposit into the special fund as noted in their prior testimony to the House Education committee.

The Hawaii State Teachers Association asks your committee to **support this bill** to provide early learning opportunities for all pre-school keiki across our state.

TO: Senator Michelle N. Kidani, Chair  
Senator Donna Mercado Kim, Vice Chair  
House Committee on Education

FROM: Robert G. Peters, Chair  
Early Learning Board

SUBJECT: Measure: H.B. No. 960 H.D. 1 – RELATING TO THE SCHOOL FACILITIES  
AUTHORITY  
Hearing Date: Wednesday, March 15, 2023  
Time: 3:00 PM  
Location: Conference Room 229

EARLY LEARNING BOARD POSITION: Support

The Early Learning Board (ELB) supports H.B. No. 960 H.D. 1 and defers to the School Facilities Authority.

ELB supports EOEL's commitment to increasing access to affordable and high-quality early learning opportunities and its collaborative work across stakeholders, including the SFA. The ELB appreciates the flexibility this bill affords the SFA regarding construction of pre-kindergarten classrooms.

We look forward to continuing to work with the Legislature to support increasing access to Affordable, quality early learning programs and services in the State. Thank you for the opportunity to testify on this bill.



# UNIVERSITY OF HAWAII SYSTEM

## ‘ŌNAEHANA KULANUI O HAWAII

### Legislative Testimony

### Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the  
Senate Committee on Education  
March 15, 2023 at 3:00 p.m.

By

Kalbert K. Young

Vice President for Budget and Finance/Chief Financial Officer  
University of Hawai'i System

### HB 960 HD1 – RELATING TO THE SCHOOL FACILITIES AUTHORITY

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

Thank you for the opportunity to testify on this measure, which transfers \$200,000,000 of general funds previously appropriated to the School Facilities Authority of the Department of Education to the school facilities special fund. The University of Hawai'i (UH) supports recent efforts to expand access to affordable and quality early care and education opportunities throughout the State. In collaboration with key stakeholders, including the School Facilities Authority, UH is working on expanding its availability and offerings of early learning programs on a number of its campuses. And while we are still developing how these facilities and programs can be sustained, we believe that State support of early childhood programs and facilities – wherever they may be located – are valuable to advancing educational development and learning for Hawai'i keiki.

Providing additional flexibility in the timeline will allow the School Facilities Authority to continue the construction, renovation, improvement and expansion of prekindergarten classrooms across the State. The measure could also contemplate enabling the School Facilities Authority to either contract, or transfer to, other state agencies appropriation in order to further accelerate the development of new facilities.

Mahalo for the opportunity to provide testimony on this bill.





# Kamehameha Schools®

Senate Committee on Education

Time: 3:00 p.m.

Date: March 15, 2023

Where: Conference Room 229

## TESTIMONY

By Dr. Wai‘ale‘ale Sarsona  
Kamehameha Schools

RE: **HB 960, HD1, Relating to the School Facilities Authority**

E ka Luna Ho‘omalua Kidani, ka Hope Luna Ho‘omalua Kim, a me nā lālā o ke Kōmike Ho‘ona‘auao o ka ‘Aha Kenekoa, aloha kākou. My name is Dr. Wai‘ale‘ale Sarsona, Vice President of Hi‘ialo at Kamehameha Schools.

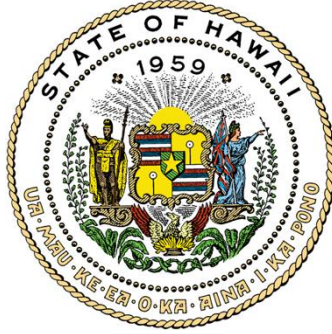
Kamehameha Schools **supports** HB 960, HD1, which transfers \$200,000,000 of general funds previously appropriated to the School Facilities Authority of the Department of Education to the school facilities special fund. This measure also appropriates an unspecified amount of funds out of the school facilities special fund for the School Facilities Authority to expand access to eligible children for pre-kindergarten.

The enactment of Act 46 (2020) launched Hawai‘i on a path forward to ensure that every three- and four-year-old has access to early learning by year 2032. We are still recovering from the negative impacts of the pandemic in this sector, which resulted in the statewide decrease in capacity to provide childcare by 12%, including 2,850 fewer preschool seats. Our keiki cannot afford to lose any more.

Last session, and through Act 257 (2022), the Legislature made a significant advancement in ensuring that every three- and four-year-old has access to early learning by year 2032 by appropriating \$200 million to the School Facilities Authority (SFA) to expand access to pre-kindergarten to eligible children across the state. This measure will ensure a more expeditious expansion of pre-kindergarten throughout Hawai‘i to quickly serve keiki and families in need of early learning. **Please advance this measure.**

Founded in 1887, Kamehameha Schools is an educational organization striving to restore our people through education and advance a thriving Lāhui where all Native Hawaiians are successful, grounded in traditional values, and leading in the local and global communities. We believe that community success is individual success, Hawaiian culture-based education leads to academic success and local leadership drives global leadership. Hānai i ke keiki; ola ka lāhui.

‘A‘ohe ‘ulu e loa‘a i ka pōkole o ka lou. There is no success without preparation.



**LATE**

OFFICE OF THE LIEUTENANT GOVERNOR  
*Ke Ke'ena O Ka Hope Kia'aina*

TO: Chair Michelle Kidani  
Vice Chair Donna Mercado Kim  
Members of the Senate Committee on Education

FROM: Sylvia Luke, Lieutenant Governor

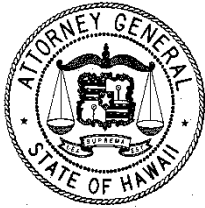
RE: Testimony for H.B. 960 – Relating to the School Facilities Authority

DATE: March 15, 2023

Thank you for the opportunity to provide testimony in **strong support of H.B. 960, with a proposed technical amendment to deposit the monies in fiscal year 2024 instead of 2023 to ensure the State's federal maintenance of effort requirements are not impacted.** H.B. 960 transfers \$200 million of general funds previously appropriated to the School Facilities Authority of the Department of Education to the school facilities special fund.

The Legislature passed Act 257, Session Laws of Hawaii 2022 which appropriated \$200 million for fiscal year 2022 – 23 for the School Facilities Authority to expand access to pre-kindergarten to eligible children in our state. The changes proposed in H.B. 960 make technical amendments to designate that the funds be deposited into the school facilities special fund, however we support an amendment to deposit the funds in fiscal year 2024.

Thank you for the opportunity to provide testimony in support of H.B. 960.



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
KA 'OIHANA O KA LOIO KUHINA  
THIRTY-SECOND LEGISLATURE, 2023**

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**LATE**

**ON THE FOLLOWING MEASURE:**

H.B. NO. 960, H.D. 1, RELATING TO THE SCHOOL FACILITIES AUTHORITY.

**BEFORE THE:**

SENATE COMMITTEE ON EDUCATION

**DATE:** Wednesday, March 15, 2023      **TIME:** 3:00 p.m.

**LOCATION:** State Capitol, Room 229

**TESTIFIER(S):** Anne E. Lopez, Attorney General, or  
Randall S. Nishiyama, Deputy Attorney General

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Chair Kidani and Members of the Committee:

The Department of the Attorney General (Department) provides the following written comments as a follow up to oral testimony it provided to the Committee on Education on March 15, 2023.

This bill transfers \$200,000,000 in general funds appropriated for fiscal year 2022-2023 from the School Facilities Authority (Authority) of the Department of Education to the School Facilities Special Fund and appropriates an unspecified amount of moneys out of the School Facilities Special Fund for fiscal year 2022-2023 to the Authority to expand access to pre-kindergarten by eligible children.

The statutory framework of the Authority provides that it is "responsible for all public-school development, planning, and construction related to capital improvement projects assigned by the legislature, governor, or board of education." Section 302A-1703(a), Hawaii Revised Statutes (HRS). We understand that the Authority is considering establishing pre-kindergarten facilities at sites other than school facilities.

In anticipation of questions regarding the propriety of constructing pre-kindergarten facilities at sites other than school grounds, the Department recommends three statutory amendments to clarify the scope of the Authority's powers, to ensure that the purpose of expanding access to pre-kindergarten by eligible children can be achieved by the appropriation in this bill.

First, amend the definition of the term "project" in section 302A-1701, HRS (for the purpose of this recommendation, only the suggested change is underscored):

"Project" means the development and construction of new school facilities, including infrastructure; access and other support for new school facilities; pre-kindergarten facilities; major renovation of school facilities; public-private partnership projects; new capital improvement projects funded by the legislature for completion by the authority; acquisition of real property, personal property, or mixed property for new school facilities; and planning, development and leasing of public school land or facilities to private partners pursuant to section 302A-1151.1.

Second, amend the Authority's powers as provided in section 302A-1703(c)(7), HRS (for the purpose of this recommendation, only the suggested change is underscored);

- (7) Enter into partnerships with qualified persons, including public-private partnerships, as defined in the authority's rules, to acquire, construct, reconstruct, rehabilitate, improve, alter, or provide for the construction, reconstruction, improvement, or alteration of any project[;], including pre-kindergarten facilities; and sell, assign, transfer, convey, exchange, lease, or otherwise dispose of or encumber any project; and in the case of the sale of any project, accept a purchase money mortgage in connection therewith;

Third, amend the scope of the permitted expenditures out of the School Facilities Special Fund in section 302A-1706(c), HRS (for the purpose of this recommendation, only the suggested change is underscored):

(c) The school facilities special fund shall be administered by the authority and used to fund any school development, planning, or construction project, including pre-kindergarten facilities, within the jurisdiction of the authority.

We respectfully ask the Committee to consider our comments.