

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
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
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 (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON EDUCATION
ON
SENATE BILL NO. 2826

February 4, 2022
3:00 p.m.
Room 229 and Videoconference

RELATING TO EDUCATION

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

Senate Bill No. 2826 adds a new section to Chapter 302A, HRS, and Chapter 302D, HRS, to establish a Career Development Success Program (Program) to provide financial incentives for participating public high schools and charter schools to encourage students enrolled in grades 9 through 12 to enroll in and successfully complete qualified industry-credential programs. The bill appropriates an unspecified sum of general funds for FY 23 for the Program.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and

- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.



STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 02/04/2022

Time: 03:00 PM

Location: CR 229 + videoconference

Committee: Senate Education

Department: Education

Person Testifying: Interim Superintendent Keith Hayashi
Hawaii State Department of Education

Title of Bill: SB 2826 RELATING TO EDUCATION.

Purpose of Bill: Establishes a career development success program to provide financial incentives for participating public high schools to encourage students enrolled in grades nine through twelve to enroll in and successfully complete qualified industry-credential programs. Establishes a similar program for public charter schools. Appropriates funds.

Department's Position:

The Hawaii State Department of Education (Department) supports SB 2826 and appreciates the inclusion of funding but asks that any additional funding does not affect the Department's top budget priorities to restore funds that were reduced as a result of the fiscal fallout from COVID-19 and the funding of existing budget shortfalls that were included in the Department's supplemental budget request. Without those funds, the Department will face severe constraints on its ability to continue to promote equity and access to needed resources and support for all students.

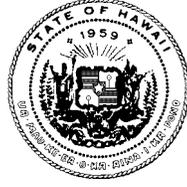
The Department recognizes that SB 2826 creates a career development success program to provide financial incentives for participating public high schools and charter schools to encourage students to enroll and complete a qualified industry-credential program. The Department appreciates the appropriation in this bill to distribute monetary awards based on the number of students who earn various credentials on the *Promising Credentials* list.

As public high schools establish or expand their Career and Technical Education

programs of study within their school design, the Department is committed to strengthening a concerted effort among various partners to prepare students for the college and career pipeline with the appropriate skills, attributes, certifications, work-based learning experiences, and/or post-secondary credits to contribute to the vitality of Hawaii's workforce.

Thank you for the opportunity to provide testimony in support of SB 2826.

DAVID Y. IGE
GOVERNOR



CATHY BETTS
DIRECTOR

JOSEPH CAMPOS II
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

February 3, 2022

TO: The Honorable Michelle N. Kidani, Chair
Committee on Education

FROM: Cathy Betts, Director

SUBJECT: **SB 2826 - RELATING TO EDUCATION.**

HEARING: Friday, February 4, 2022, 3:00 P.M.
Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent, offers comments, and defers to the Department of Education (DOE) and the Public Charter School Commission.

PURPOSE: The purpose of this bill is to create a career development success program to provide financial incentives for participating public high schools and charter schools to encourage pupils enrolled in grades nine through twelve to enroll in and successfully complete qualified industry-credential programs. "Qualified industry-credential program means a program where a student attains a credential that is included in the most current version of the Promising Credentials and Occupations in Hawaii list."

The DHS Division of Vocational Rehabilitation (DVR) provides Pre-Employment Transition Services (Pre-ETS) to over 950 students with disabilities. In partnership with the DOE to complement and offer additional services for students with disabilities. These services include job exploration counseling, work-based learning experiences, counseling on post-secondary enrollment, work readiness training, and instruction on self-advocacy. These students also may qualify and apply for individualized DVR services that promote movement

from school to post-school activities. These DVR services include, and are not limited to post-secondary education, vocational training, competitive integrated employment, supported employment, and continuing and adult education through their individualized plan for employment. This measure intends to provide financial incentives to encourage pupils in grades nine through twelve to enroll in and complete qualified industry-credential programs. It will give students with disabilities a head start as they transition from high school to further their education and or begin careers in competitive careers integrated employment.

Thank you for the opportunity to provide comments on this bill.

DAVID Y. IGE
GOVERNOR



JOHN S.S. KIM
CHAIRPERSON

STATE OF HAWAII
STATE PUBLIC CHARTER SCHOOL COMMISSION
(‘AHA KULA HO‘ĀMANA)

<http://CharterCommission.Hawaii.Gov>
1111 Bishop Street, Suite 516, Honolulu, Hawaii 96813
Tel: (808) 586-3775 Fax: (808) 586-3776

FOR: SB2826 Relating to Education
DATE: February 4, 2022
TIME: 3:00 P.M.
COMMITTEE: Committee on Education
ROOM: Conference Room 229 & Videoconference
FROM: Yvonne Lau, Interim Executive Director
State Public Charter School Commission

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

The State Public Charter School Commission (“Commission”) appreciates the opportunity to submit this testimony in **SUPPORT of SB2826** which establishes a career development success program to provide financial incentives for participating public high schools to encourage students enrolled in grades nine through twelve to enroll in and successfully complete qualified industry-credential programs. Establishes a similar program for public charter schools, and appropriates funds.

The Commission is deeply grateful for the inclusion of our public charter schools in new program. The Commission is available to work with this committee, the Hawaii Department of Education, and public charter schools in moving this legislation forward.

Thank you for the opportunity to provide this testimony.



david.miyashiro@hawaiikidscan.org
hawaiikidscan.org

David Miyashiro
Executive Director

February 4, 2022

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

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

HawaiiKidsCAN strongly supports SB2826, which establishes a career development success program to provide financial incentives for participating public high schools to encourage students enrolled in grades nine through twelve to enroll in and successfully complete qualified industry-credential programs; establishes a similar program for public charter schools; and appropriates funds.

Founded in 2017, HawaiiKidsCAN is a local nonprofit organization committed to ensuring that Hawaii has an excellent and equitable education system that reflects the true voices of our communities and, in turn, has a transformational impact on our children and our state. We strongly believe that all students should have access to excellent educational opportunities, regardless of family income levels and circumstances.

In terms of generational sustainability, it is clear the status quo won't cut it. Hawaii continues to be a place that is losing population, and research shows that a significant number of young and educated former residents have now found other states their home.¹ That means our leaders and policymakers must be taking bold steps to ensure our students are fully equipped to survive and thrive in Hawaii, especially given the economic stresses heightened by the COVID-19 pandemic.

One clear way to achieve this call to action is to fully harness the power of Hawaii's innovative career readiness programs in our public schools. It's not just a matter of *if* students are getting career readiness opportunities, but rather if those experiences are

¹ <https://www.civilbeat.org/2022/01/hawaiis-population-drain-outpaces-most-states-again/#:~:text=From%20July%202020%20to%20July,from%20the%20U.S.%20Census%20Bureau.&text=This%20means%20about%2014%2C500%20people,Hawaii%20has%20lost%2030%2C000%20residents.>

strategically aligned to provide students with the most benefits. SB516 – Act 163 – was passed last year to help schools, policy leaders, and funders better understand and prioritize programming for students when it comes to getting them ready for quality and available jobs in Hawaii. For the first time, data will be available and shared from all state educational systems and workforce training agencies to analyze the cross-agency longitudinal education and workforce outcomes of students who attempted an educational course, training program, career program, postsecondary program, or other state-supported workforce training program.

SB2826 would build on this foundation to create an incentive program for public schools based on how successfully students attain industry recognized credentials that are aligned to the local Promising Credentials report. In particular, the report used intensive labor market analysis and outreach to local Hawaii businesses to curate a list of industry-recognized credentials that are associated with in-demand, living wage occupations throughout the state. That means a student earning a Promising Credential is better prepared for jobs that are forecasted to increase in demand, pay a family sustaining wage, and have a promising career ladder.

This effort is a win for students, schools, local employers, and the broader Hawaii economy, and would make our education system among the most exciting in the world. In Switzerland, for example, student pairing with businesses begins at the age of sixteen, with 71 percent of high schoolers participating in all fields (trades, blue- and white-collar occupations). Spending up to three days per week working in industry-specific training, the Swiss youth earn a monthly stipend of between \$800 and \$1,400. Upon graduation from high school at the age of nineteen or twenty, students leave with a diploma, several years of work experience, a sizable savings cushion, and typically an in-hand offer from an employer or a targeted higher-education pathway.²

And investment in today's kid is an investment in Hawaii's bright present *and* future.

Mahalo for your consideration,

David Miyashiro
Founding Executive Director
HawaiiKidsCAN

² <https://epicenter.wcfia.harvard.edu/blog/our-labor-market-crisis-paving-new-path-future-work>



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the Senate Committee on Education
Friday, February 4, 2022, at 3:00 P.M.
Conference Room 229 & Videoconference**

RE: SB 2826 Relating to Education

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

The Chamber of Commerce Hawaii ("The Chamber") **supports** SB 2826 which establishes a career development success program to provide financial incentives for participating public high schools to encourage students enrolled in grades nine through twelve to enroll in and successfully complete qualified industry-credential programs. It also establishes a similar program for public charter schools.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

Through strategic and deliberate collaboration, the Chamber is investing in K-12 career and technical education, and synergy with business community, resulting in new industry partner connections, sector-driven workforce development solutions, increased certification attainment and high-quality work-based learning (WBL) experiences.

The Chamber supports the development and funding of sector-driven collaboratives to address Hawaii's talent pipeline and workforce development solutions. Sector Partnerships provide a forum for employers, educators, community partners and public sector leaders to collaborate on opportunities to strengthen and grow their sector. We believe that convening and facilitating a shared space for employers and educators is instrumental to preparing Hawaii residents for in-demand jobs and helping employers find skilled workers.

Establishing a career development success program in Hawaii would ensure that students learn skills and earn credentials required by industry for employment after graduation. Industry-recognized credentials are important because they teach the specific knowledge and skills that are required for an occupation or industry. With the rise in student debt and workforce shortages across multiple industries, this bill helps students find a career path they can thrive in, while also strengthening and diversifying our economy.

Thank you for the opportunity to testify.

SB-2826

Submitted on: 2/1/2022 2:54:20 PM

Testimony for EDU on 2/4/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Salena Lee	Individual	Support	No

Comments:

I support SB2826 to establish a career development success program to provide financial incentives for participating public high schools to encourage students enrolled in grades nine through twelve to enroll in and successfully complete qualified industry-credential programs. Establishes a similar program for public charter schools. Appropriates funds.

SB-2826

Submitted on: 2/2/2022 7:59:48 AM

Testimony for EDU on 2/4/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Levani Lipton	Individual	Support	No

Comments:

Dear Senators,

I'm submitting testimony in support of SB2826. For some students, vocational education and other types of educational opportunities that lead to a career is the best pathway for them. Some students do not have the financial means to pursue the college educational pathway. Some students have to help support their families by working. Supporting students to pursue studies in an industry credentialed program while in school could greatly help improve their opportunities at having skill sets and entering the workforce. This can help bridge the gap when it comes to disparities. Supporting programs like this early lends credibility to the sector as well and eases the burden on students and families struggling to help their children figure out what their future will look like when they don't have a lot of opportunities because they're economic means are limited. We should do everything we can to support these types of programs to help build our workforce and ultimately support our local families. Please give your support to SB2826. It can only benefit the future of Hawaii by investing in our youth now. Thank you for this opportunity to testify.

Mahalo,
Levani Lipton

SB-2826

Submitted on: 2/1/2022 5:26:42 PM

Testimony for EDU on 2/4/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
chelsea pang	Individual	Support	No

Comments:

- This effort is a win for students, schools, local employers, and the broader Hawaii economy, and would make our education system among the most exciting in the world.