



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

October 21, 2021

TO: Student Achievement Committee
Finance and Infrastructure Committee

FROM: Kili Namau'u
Committee Chairperson, Student Achievement Committee

AGENDA ITEM: Student Achievement Committee and Finance and Infrastructure Committee recommendations concerning Board guidance on the Department's use of federal funds in the second round of the Education Stabilization Fund's Elementary and Secondary School Emergency Relief ("ESSER II") and in the third round of ESSER funds authorized under the American Rescue Plan Act of 2021 ("ESSER ARP")

I. EXECUTIVE SUMMARY

- The intent of this guidance is to focus the Board on making the Department's educational plan for the Department's use of ESSER II and ESSER ARP Funds (collectively, "ESSER Funds") the centerpiece of discussion. The fiscal plan should be secondary and supportive of the educational plan.
- The Board should provide the Department with clear guidance on the Board's expectations for the Department's use of ESSER Funds.
- The Board should create a three-part framework with an educational plan, supporting fiscal plan, and detailed expenditure reporting. The three-part framework places education at the center, provides flexibility with a supporting categorical fiscal plan, and accountability with detailed expenditure reporting.
- The Board should provide the Department with guidance of what it expects of its educational plan, particularly in the areas of timing, equitable distribution, health and safety, accelerated learning, social-emotional learning, metrics, and coordination with charter schools.
- The Department can allocate funds by categories for the fiscal plan, with the exception of budget shortfalls, because it is paired with a detailed educational plan. The Board must approve both the educational plan and categorical fiscal plan before the Department can expend funds.
- The Board should direct the Department on its calculation of charter schools' pro rata share and the lapse date of any funds transferred.
- The Board should direct the Department to provide detailed periodic expenditure reports.

II. INTRODUCTION

The Board has spent a great deal of time discussing the use of ESSER Funds, but a lot of this discussion has approached these funds from a fiscal standpoint and not an educational one. I wanted to use this opportunity to shift the focus to an educational plan that is supported by a secondary fiscal plan and create a framework that ties together all the pieces the Board and Department has been discussing into something that will be beneficial for everyone. I am proposing that the Board adopt guidance that provides the Department with clear direction on how it expects the Department to allocate and use ESSER Funds. The proposed guidance also creates a three-part framework that ties a detailed educational plan to a more flexible fiscal plan and detailed expenditure reporting. My hope is that these three parts provide the Department with the information it needs to provide an educational plan that meets the Board's expectations, provide the Department with the flexibility it wants to allocate funds, and provides the Board with detailed expenditures so can ensure the Department expended the money in accordance with its guidance.

III. BACKGROUND

The Board allocated ESSER I funds, but this background focuses on this history of ESSER II and ESSER ARP funds, since those are the funds that the Board must still allocate.

The Board is the statutorily designated administrator of federal funds allotted to the state for public educational purposes and is required to use and expend the funds for the purposes permitted by Congress.¹

On January 5, 2021, Congress signed into law the Coronavirus Response and Relief Supplemental Appropriations Act of 2021, which provided additional funding for the Elementary and Secondary School Emergency Relief Fund ("ESSER II"). Hawaii was awarded \$183,595,211 in ESSER II funds, which the Department needs to expend by September 30, 2023.

The Department released a memorandum detailing its plan for the use of the ESSER II funds,² but at the January 21, 2021, Finance and Infrastructure Committee ("FIC") meeting, the Department

¹ Board Policy 303-4, Federal Funds, provides, in pertinent part: "The [Board], as the statutorily designated administrator of federal funds allotted to the State for public educational purposes, is required to use and expend the funds 'for any such purposes and to such extent as shall be permitted by the Acts of Congress,'" available at: <https://boe.hawaii.gov/policies/Board%20Policies/Federal%20Funds.pdf>

² Memorandum from Superintendent Christina Kishimoto available at: https://boe.hawaii.gov/Meetings/Notices/Meeting%20Material%20Library/FIC_01212021_Committee%20Action%20on%20Department%20of%20Education%E2%80%99s%20plan%20for%20use%20of%20federal%20funds%20new%20COVID-19%20aid.pdf

provided revised recommendations.³ The committee elected to defer action on the plan⁴ and the Board did not take action on the Department's recommendation at the general business meeting.⁵

On February 18, 2021, the Department presented its plans for the use of ESSER II funds.⁶ The Board did not approve the overall plan and instead approved and authorized the Department to spend "as much of the ESSER II funds as necessary to cover school food service for the 2020-2021 fiscal year, to cover teacher differentials through the 2021-2022 fiscal year, and to provide the full pro rata share to charter schools, provided that the Department returns to the Board with a federal fund spending plan once the Legislature has finalized the Department's budget for Fiscal Biennium 2021-2023."⁷

On March 11, 2021, Congress signed the American Rescue Plan Act of 2021, which awarded \$412.3 million to the Department ("ESSER ARP"). The U.S. Department of Education ("USDOE") released two-thirds of the ESSER ARP funds to the Department and withheld the remaining one-third, pending its acceptance of the Department's state plan for the funds.⁸

On April 15, 2021, the Department requested Board approval of the use of up to \$66.4 million in ESSER II funds for expenses relating to summer learning loss programs for the 2020-2021 and 2021-2022 fiscal years, support services, student computer devices, and traditional summer school. The Board approved use of up to \$34.5 million in ESSER II funds, limiting funding to the 2020-2021 fiscal year and declining to fund expenses for the 2021-2022 fiscal year, which included \$11.5 million for summer school for the 2021-2022 fiscal year.⁹

On June 17, 2021, the Department requested Board approval of its state plan for the use of the ESSER ARP funds, which it was required to submit to the USDOE for the release of the remaining

³ January 21, 2021 FIC Minutes available at:

<https://alala1.k12.hi.us/STATE/BOE/Minutes.nsf/a15fa9df11029fd70a2565cb0065b6b7/f05fa2f60ae573ae0a25868e000bd9c4?OpenDocument>

⁴ January 21, 2021 FIC Minutes available at:

<https://alala1.k12.hi.us/STATE/BOE/Minutes.nsf/a15fa9df11029fd70a2565cb0065b6b7/f05fa2f60ae573ae0a25868e000bd9c4?OpenDocument>

⁵ January 21, 2021 GBM Minutes available at:

<https://alala1.k12.hi.us/STATE/BOE/Minutes.nsf/a15fa9df11029fd70a2565cb0065b6b7/21424b334ed721ff0a258688007d5802?OpenDocument>

⁶ Memorandum dated February 18, 2021 from Superintendent Kishimoto available at:

https://boe.hawaii.gov/Meetings/Notices/Meeting%20Material%20Library/02182021_GBM_Board%20Action%20on%20Department%27s%20Plan%20for%20Federal%20Funds%20in%20the%20New%20COVID-19%20Relief%20Package%20and%20Annual%20Spending%20Bill.pdf

⁷ February 18, 2021 GBM Minutes available at:

<https://alala1.k12.hi.us/STATE/BOE/Minutes.nsf/a15fa9df11029fd70a2565cb0065b6b7/105c2470f0f8feb90a2586ba000dab2a?OpenDocument>

⁸ See memorandum dated June 17, 2021 from Superintendent Kishimoto available at:

https://boe.hawaii.gov/Meetings/Notices/Meeting%20Material%20Library/FIC_06172021_Action%20on%20Recommendation%20Concerning%20Department%20of%20Education%27s%20Plan%20for%20Use%20of%20ESSER%20III%20Funds.pdf (describing amounts allocated to the Department and process for release of remaining funds).

⁹ April 15, 2021 Special Meeting minutes available at:

<https://alala1.k12.hi.us/STATE/BOE/Minutes.nsf/a15fa9df11029fd70a2565cb0065b6b7/48645f38122232b50a2586d2006c5e95?OpenDocument&Highlight=0,summer,2022>

one-third.¹⁰ After a robust discussion about the lack of specificity in the Department's state plan, FIC recommended that the Board approve the Department's ESSER ARP State Plan for submission to USDOE. At the FIC meeting, FIC members made multiple requests for detailed information and a comprehensive plan of allocations and expenditures. At the general business meeting, FIC Chairperson Bruce Voss clarified that FIC's recommend to approve the Department's state plan does not reflect the approval of any specific expenditures, the approval is only for purposes of submitting the plan to USDOE, and that the Department will provide the Board with a detailed and comprehensive expenditure and allocation plan in August.¹¹ The Board approved the Department's state plan for submission to USDOE.

On August 5, 2021, USDOE publicly announced its approval of the Department's state plan and distributed the remaining one-third (\$137 million) to the Department.¹²

On August 19, 2021, the Department presented FIC with an allocation plan for ESSER II and ESSER ARP funds, which had two options for use of the funds.¹³ The Department also requested approval of priority allocation of ESSER II and ESSER ARP funds for certain specific uses.¹⁴ FIC recommended approval of all of the Department's requested priority allocations, a total of \$176,897,106 for the 2021-2022 fiscal year.¹⁵ However, the Board declined to accept FIC's full recommendation and instead approved the Department's use of up to \$39,183,441 for the 2021-2022 fiscal year and deferred consideration of three items, \$100.2 million shortfall caused by budget cuts, \$20,664,424 for full-time positions not funded with general funds, and \$16.5 million for pre-existing shortfalls.

On September 16, 2021, the Department requested approval for the three items that the Board deferred consideration of in August, budget cut shortfalls, full-time positions, and pre-existing shortfalls.¹⁶ At the FIC meeting, the Department presented a revised recommendation that reduced

¹⁰ Memorandum dated June 17, 2021 from Superintendent Kishimoto available at: https://boe.hawaii.gov/Meetings/Notices/Meeting%20Material%20Library/FIC_06172021_Action%20on%20Recommendation%20Concerning%20Department%20of%20Education%27s%20Plan%20for%20Use%20of%20ESSER%20II%20Funds.pdf

¹¹ June 17, 2021 General Business Meeting minutes available at: <https://alala1.k12.hi.us/STATE/BOE/Minutes.nsf/a15fa9df11029fd70a2565cb0065b6b7/4e4f3f226252ec130a25870d007a46de?OpenDocument>

¹² USDOE Press Release available at: <https://www.ed.gov/news/press-releases/us-department-education-approves-hawaiis-plan-use-american-rescue-plan-funds-support-k-12-schools-and-students-distributes-remaining-137-million-state>

¹³ August 19, 2021 memorandum from Interim Superintendent Keith Hayashi available at: https://boe.hawaii.gov/Meetings/Notices/Meeting%20Material%20Library/FIC_08192021_DOE%20Presentation%20on%20Allocation%20Plan%20Use%20for%20ESSER%20II%20and%20ESSER%20ARP.pdf

¹⁴ August 19, 2021 memorandum from Interim Superintendent Hayashi available at: https://boe.hawaii.gov/Meetings/Notices/Meeting%20Material%20Library/FIC_08192021_Committee%20Action%20on%20Priority%20Allocation%20of%20Funds%20in%20ESSER%20II%20and%20ESSER%20ARP.pdf

¹⁵ August 19, 2021 FIC minutes available at: <https://alala1.k12.hi.us/STATE/BOE/Minutes.nsf/a15fa9df11029fd70a2565cb0065b6b7/4c8973989d96d46f0a25874c0077405c?OpenDocument>

¹⁶ September 16, 2021 memorandum from Interim Superintendent Hayashi available at: https://boe.hawaii.gov/Meetings/Notices/Meeting%20Material%20Library/FIC%20_09162021_Recommendation%20re%20ESSER%20II%20and%20ESSER%20ARP%20-%20Budget%20Shortfall.pdf

the request for budget cut shortfalls from \$100.2 million to \$24.2 million.¹⁷ FIC recommended that the Board approve the Department's use of up to \$61.4 million for the aforementioned shortfalls and the Board accepted FIC's recommendation.¹⁸

On September 16, 2021, the Department presented the Student Achievement Committee ("SAC") with an educational plan for the use of federal funds.¹⁹ SAC members generally saw the draft educational plan as a substantial step toward an educational plan, but asked for more details and data and alignment with a fiscal plan.

IV. OUTREACH

In the course of developing this guidance, I had a meeting and discussions with Interim Superintendent Keith Hayashi and a meeting with the members of the Hui for Excellence in Education (HE'E), a coalition of diverse stakeholders focused on public education. These meetings were very helpful in shaping this guidance and building my understanding of the issues. Interim Superintendent Hayashi helped me to understand, in greater detail, the challenges facing the Department and its efforts to address these challenges. The members of HE'E shared their diverse perspectives and experiences as community organizations, parents and guardians, and staff. They provided me with greater insight into what people are experiencing in schools and school communities. I appreciate all of the time that everyone spent with me to support this work.

V. DISCUSSION

- A. Three Part Framework.** The Department has provided the Board with detailed financial plans in an effort to explain how the Department plans to use the ESSER Funds. The Department has made a concerted effort to provide the information that the Board has requested, which is appreciated. However, the Board has not been satisfied with what the Department has presented, to the extent that it was willing to approve the Department's expenditure of all of the ESSER Funds. Instead, the Board has been incrementally releasing smaller amounts for specific uses or programs.

While the Board has been asking the Department to think big and be innovative, I do not think that it has provided a system to allow it to do so or one that takes into account the flexibility necessary to address the challenges of the world we now live in. Board members have repeatedly asked that the Department direct as of the funding as possible to things that directly impact students, but the Board initiated the discussion of ESSER Funds from a financial standpoint. The first discussion the Board had regarding ESSER funds was at its January meetings. Moreover, the Board continued to discuss ESSER funds from a primarily

¹⁷ September 16, 2021 FIC minutes available at:
<https://alala1.k12.hi.us/STATE/BOE/Minutes.nsf/a15fa9df11029fd70a2565cb0065b6b7/12cbe52c311269680a25876f006f842f?OpenDocument>

¹⁸ September 16, 2021 GBM minutes available at:
<https://alala1.k12.hi.us/STATE/BOE/Minutes.nsf/a15fa9df11029fd70a2565cb0065b6b7/a2a08f734715ef1a0a25876f006fbb70?OpenDocument>

¹⁹ September 16, 2021 memorandum from Interim Superintendent Hayashi available at:
https://boe.hawaii.gov/Meetings/Notices/Meeting%20Material%20Library/SAC_09162021_Presentation%20on%20Department%27s%20Educational%20Plan%20-%20ESSER%20II%20and%20ESSER%20ARP.pdf

financial standpoint for several more months, up until last month when it finally started to look at it from an educational standpoint. If the Board wanted the Department to focus on educational uses of the ESSER Funds, it should have initiated the discussion by first asking the Department for an educational plan, then looking at how financial resources could support this educational plan.

In addition, the Board asked the Department to provide a detailed expenditure plan. The Department complied by providing plans for the use of ESSER Funds using the smallest budgetary unit of measurement that it has, programs. However, at times it has proven difficult for the Department to expend the money by program because of the rapidly changing nature of our world. If the Board approved the Department to use a certain amount of funds for a specific program, but if the Department then got the opportunity to fulfill the need addressed by the program through some other needs, it would need to come back to the Board to reprogram these funds. While it makes sense that the Department would need to come to the Board for approval to reprogram substantial amounts of money, it makes less sense for the Board to require the Department to get Board approval for smaller sums at the program level.

As such, I would like the Board to consider a three-part framework made up of an educational plan, fiscal plan, and detailed expenditure reporting. This three-part framework will emphasize using funding to directly impact students, provide the Department with guidance so it can provide the Board with the level of detail it needs to understand what the Department is planning to do for students, give the Department necessary flexibility, and ensure the Board can fulfill its responsibility as the administrator of federal funds.

First, the educational plan is the initial piece and the centerpiece of the framework. The educational plan should provide the Board with an understanding of what the Department is planning to do for students and should focus describing the systems the Department will put in place to everything together. It should not just be a description of multiple programs. Second, the fiscal plan will be ancillary and designed to support the educational plan. The fiscal plan will establish categories, a larger unit than programs, to allow the Department a greater degree of flexibility. The categories in the fiscal plan should be at the same or greater level of detail as what was in the Department's state plan, which it submitted to USDOE. As much funding as possible should be allocated to the educational plan and this funding will directly impact students. Third, as the Department expends the funds, it must provide the Board with detailed expenditure reports; this reporting will be done at the program level.

The Board will release ESSER funds to the Department for expenditure when it approves an educational plan and supporting fiscal plan developed in accordance with the Board's guidance, with an exception for budget shortfalls, which is described in more detail below.

The Board is looking to the state and complex area levels to ensure that this three-part framework leverages ESSER funds to the greatest extent possible, looks for economies of scale, and are used to supplement, not supplant educational resources. An example of leveraging ESSER funds is by avoiding using ESSER funds for positions, to the greatest

extent possible. When federal funds are used for positions, the Department must fund the fringe benefits for the position, which can be 50-60% of the employee's salary, effectively eroding the value of each ESSER dollar. The state and complex area levels can look for economies of scale by using data to identify issues that are common to multiple schools and working with schools to find helpful solutions that would fit into common or multiple school designs. The state and complex area levels could then enter into one contract that would cover multiple schools instead of having schools search for, research, and contract individually. Lastly, the Board would look to the state and complex area levels to ensure that the ESSER funds are used to supplement and not supplant existing educational resources. ESSER funds are funds that are in addition to what the Department receives from state general funds and other federal funds, like impact aid. Most of the Department's operations are covered by these other sources. The Department has allocated to schools their full weighted student formula amounts regardless of whether they have experienced a decline in enrollments. The Department's basic needs for day-today operations should be largely covered. ESSER funds should be used for needs clearly related to COVID-19 health and safety or to programs that supplement schools' existing educational programs, like tutoring, social-emotional learning enhancement, or after school supports.

- B. Educational Plan.** The Department presented a draft educational plan to SAC in September. This draft was a good start and provided SAC with its best understanding to date of what the Department planned to do with ESSER Funds. However, the education plan still focused on programs and did not clearly explain how all the programs worked together to achieve a goal. It would be more helpful if the educational plan focused on systems and not programs.

Timing.

2021-2020 school year. This year has been more trying and difficult than any of us could have expected. From bus driver shortages to quarantined and sick staff and students to the myriad of challenges relating to surge in COVID-19 cases due to the delta variant, schools have been pushed to their limits and beyond. Schools are overburdened as it is and it is unrealistic to expect schools to initiate programs in the middle of the school year. Consequently, for the 2021-2022 school year, the Department should focus on allocating funds toward schools' health and safety needs and supplemental academic and social-emotional learning supports after school and during breaks (winter, spring, and summer). These supplemental supports should not require schools to revisit their academic plans in the middle of the year, should not disrupt anything the schools are currently doing, and should not create additional work for schools. For example, the Department could work with community partners and stakeholders to provide these supports during breaks so that schools do not need to develop and implement programs themselves.

2022 summer. The Board views summer school as an integral part of its overall academic plans, so plans for the summer of 2022 will be embedded in the Department's educational plan. However, school plans are still being developed, so the details of summer 2022 plans will not be added to the educational plan until April 2022, at the latest. I understand that schools are already planning for summer 2022 and that the state level is supporting schools by helping to determine parent interest. The parent interest will help schools refine the

summer designs they are working on. The Department plans on having schools review and incorporate parent interest into their plans early next year so that the Department can provide the Board with details by April 2022. Note, it does not appear that the Department has returned to the Board for a request to specifically allocate funds toward summer 2021-2022; it may have lumped a request for summer 2021-2022 with other allocation request, but it is unclear. If it has not requested funds, the Department should present the results of its summer 2020-2021 programs and make a request for funds for summer 2021-2022. The presentation on the Department's summer 2020-2021 program should clearly show which students participated in the programs and how the programs accelerated learning and/or supported student social-emotional health. This presentation and request should be made as soon as possible, so the Department understands how much money it has available. If, after the Department conducts its parent interest survey and the schools incorporate this interest into their plans, the Department determines it needs additional funding, it can return to the Board and request additional funding together with its detailed summer 2021-2022 plans, which will be submitted to the Board by April 2022.

2022-2023 school year. Statutorily, schools are required to develop and submit academic and financial plans detailing their educational goals and the finances that will support achievement of these goals. Because school academic and financial plans are generally due to the state office by the end of the year, and must be approved by the complex area level first, schools are currently working on planning for next year. My understanding is that the state level does not want to disrupt this planning by asking schools to change direction and incorporating ESSER funding based programs into their academic and financial plans. Instead, the Department is planning on creating a system that provides schools an opportunity to request and incorporate ESSER Funds into their academic and financial plans after these plans are submitted for approval, but before the start of the next school year. Because ESSER funds should be to supplement and not supplant existing educational resources, schools should not need to rewrite their academic and financial plans to incorporate ESSER funds.

2023-2024 school year. The guidance does not provide specific dates for the submittal of an educational plan for the 2023-2024 school year, but instead asks that the Department provide an educational plan in a timely manner. This timeliness should take into account the timeline for school planning so that schools get information well in advance of their planning deadlines. The Department can propose a more specific deadline that makes sense for schools.

Amendments. The proposed guidance anticipates that the Department will need to amend its educational plan to address changing circumstances or to make adjustments based on formative data. If data like grades or on-track graduation are used to measure the effectiveness of certain programs and the data is showing that a certain program is very effective, the Department may want to amend its educational plan to scale up the program and allocate more resources toward a successful program. The metrics the Department selects will largely drive the timing of these amendments. Any request for an amendment should be accompanied with data supporting the amendment. Any request for an

amendment should also be accompanied by an expenditure report so the Board can understand how much the Department has already spent.

Equitable distribution. The guidance requires equitable, not equal, distribution of ESSER Funds. While we have all been affected by the COVID-19 pandemic, it is clear that some of us have been affected more than others; it has not treated everyone equally. Some people lost their jobs and all of their household income while others experienced a change in their work schedule. Some lost family members while others were unable to visit loved ones. Similarly, students and staff have experienced a range of trauma. As much of the ESSER Funds as possible should be allocated to those who have been disproportionately impacted by COVID-19. Sometimes the pandemic has impacted certain student populations, at other times ethnic groups or geographical areas. I believe that the Department should equitably allocate health and safety resources by school, complex, or complex area, but it should equitably allocate accelerated learning resources by student.

Health and Safety distribution. The availability of health and safety resources usually impact larger geographical areas. For example, proximity to testing resources or vaccination delivery will affect all students and staff in a school, complex, or complex area. Because of this, it makes sense to allocate health and safety related funds to schools, complexes, or complex areas. When equitably distributing these health and safety funds, the Department should look at criteria like the availability of resources in the area, proximity to medical facilities or providers, and the resources a school, complex, or complex area has to purchase health and safety resources.

Accelerated Learning Distribution. In contrast, it makes more sense to allocate funding for accelerated learning by student. While health and safety issues can affect an entire school, two students in the same classroom can be experiencing vastly different impacts from COVID-19. The Department should know about the needs of each student and allocate resources accordingly. Schools know the students and can identify students who have been disproportionately impacted by COVID-19. The state and complex area levels need to support the schools by using school data to identify categories, student populations, or some other form of identification that the Department will use to allocate ESSER funds to schools or complex areas to use for disproportionately impacted students. To be clear, individual student data should be used to determine if specific student populations have been disproportionately impacted. The Department should not just designate all students receiving special education services as disproportionately impacted without having clear evidence of this. There are numerous existing data sources, including data collected for the Strive HI performance system (which includes chronic absenteeism), Smarter Balanced Assessment data, universal screeners, grades, data on whether students are on-track to graduate, data measuring social-emotional needs. Teachers, counselors, and other staff have daily contact with students and can provide valuable insight and information. Again, the Department has funding sources beyond ESSER Funds, like general funds, Title I funds, and federal impact aid. This guidance is explicitly relating to the distribution of ESSER Funds, which should be done equitably in accordance with the proposed guidance.

Health and Safety. Health and safety is meant to cover everything relating to addressing the COVID-19 pandemic--vaccines, testing, personal protection equipment (“PPE”), school nurses, staff to administer testing, air quality, cleaning, and exposure tracking and communication. I understand that the Department is not the lead agency for vaccines, testing, contract tracing, and other primarily health related matters. The Department of Health (“DOH”) is the lead agency in these areas and the Board has directed the Department to rely on DOH for advice and guidance on all COVID-19 related health matters.²⁰ The proposed guidance provides the Department with direction to plan for and allocate resources toward vaccination and testing. Our understanding of COVID-19 and the status of government approvals of vaccines change rapidly and will continue to do so. While there is a lot that the Department cannot do at this time, it is likely that circumstances will change and the Department should anticipate and be ready for these changes, particularly changes that will allow the Department to safely provide more in-person instruction to students and provide greater protections for staff.

I anticipate that the Department’s involvement with vaccines will largely be coordination, planning, and communication and not necessarily purchasing anything. The state level can support vaccination efforts by doing as much as coordination as possible with DOH so individual schools and complex areas do not bear the burden of the bulk of the coordination. The state and complex area levels can encourage schools to provide space on campus, time during school schedules or before or after school, provide schools with clear instructions for consent forms, assist schools with developing communications to families, and anticipate ways to help schools answer questions from concerned parents.

Directing the Department to endeavor to provide every school with testing access does not mean that every school will need to establish testing facilities. The state and complex areas can help support schools by finding ways that schools in close proximity can work together so that multiple schools can access testing at a single school site. The state and complex area levels can look for and establish partnerships with medical or testing facilities in close proximity to schools. The state and complex area levels can find ways to develop a flexible and responsive mobile system to provide testing to schools.

The proposed guidance is meant to make it clear that the Board wants the Department to be ready to take advantage of impending opportunities to limit the spread of COVID-19 in schools and return staff and students to safe in-person learning as soon as possible.

Accelerated Learning. The proposed guidance encourages the Department to identify individual students and not rely solely on categories like English learners or students receiving special education services to identify disproportionately impacted students. I acknowledge that the data can show entire student populations were disproportionately impacted and that information can be used to identify categories that will receive additional

²⁰ July 15, 2021 Board Resolution on the Opening of Schools for the 2021-2022 School Year, lines 138-142, available at: <https://boe.hawaii.gov/Documents/2021%20Opening%20of%20Schools%20Resolution%20%28final%29.pdf>

ESSER Funds, but the Department should not just assume certain categories were disproportionately impacted without analyzing existing data.

Schools have an understanding of the needs of specific students, and the Department should encourage the development of interventions and accelerated learning resources personalized to meet disproportionately impacted student needs using these ESSER Funds. A student experiencing homelessness and food insecurity after their parents lost their jobs will have different needs from a student who fell behind during a year of distance learning.

Additionally, because the COVID-19 pandemic has affected students in many different ways, the Department should reflect on whether it needs to look at different ways to identify and measure COVID-19's impact on student learning. The Department has ways to track academics, but it may need to enhance existing systems and processes to collect and track things like students who have lost guardians, stable housing, or internet access that allows them to access their work.

Social-Emotional Learning. Social-emotional learning is and can be components of both accelerated learning and health and safety, but because I believe it is of such great importance, I have included it as a separate category. It is up to the Department to determine how to further incorporate social-emotional learning into both health and safety and accelerated learning. The proposed guidance encourages the Department to incorporate social-emotional learning into its instruction and daily interactions with students and not view it primarily as a stand-alone support. I understand that there may be times when stand-alone supports and additional interventions are necessary, but the proposed guidance encourages weaving enhanced social-emotional learning opportunities into all of the work being done.

Metrics. The proposed guidance directs the Department to identify metrics and present them as part of the educational plan it will provide to the Board by December 2021. I believe that it is best for the Department to initiate the identification of metrics so that it can identify the metrics that do not place additional data entry and collection burdens on schools. The Department should be looking at ways it can use existing data to track progress by looking at its data systems, technology, state level personnel, or disaggregation of data to report on the status of disproportionately impacted students.

The Department must disaggregate the data it provides to the Board to provide the Board with a clear picture of whether impacted student populations are making positive progress with the supplemental educational supports funded with ESSER Funds. How the data is disaggregated depends on whether the Department identifies student populations that are being disproportionately impacted by COVID-19. Examples of disaggregation include disaggregation by ethnicity (including the specific disaggregation of Micronesian and Native Hawaiian students from the Pacific Islander category), high-needs subcategories (English learners, students receiving special education services, and students receiving free and reduced lunch), geographically by complex area, or social-emotional needs.

I acknowledge that there may not be a lot of existing data on student social-emotional needs, but these ESSER Funds provide an opportunity to ensure that the Department has the necessary systems to identify, track, and support student social-emotional needs. I would like to start a conversation about the challenges the Department faces in this area and how the Board can support building a robust system for this area.

The Department will also face challenges in finding metrics to measure the effectiveness of the funds it spends on health and safety, but I believe that it is important to make the effort. School nurses have been touted as an important part of schools, but there are no metrics that clearly show the impact a school nurse has on a school. Does a school nurse in a school reduce chronic absenteeism by resolving health issues that students would otherwise be sent home for? Does a school nurse improve student sense of well-being because they can easily access health services? The Department must be able to provide data that measures things like this so that it can identify successes and evidence of how it impacts student learning.

The proposed guidance also requires the timely measurement of the effectiveness of the use of ESSER Funds. This is to encourage the Department to identify and use formative data sources so that it can quickly reallocate resources or reexamine programs or program implementation if it is not getting the results it expected.

Charter Schools - Coordination. The Department is the primary coordinator of services with other agencies (DOH and USDOE in particular), so it should include charter schools and/or the Commission in its planning, coordination, and communication efforts. For example, when there were announcements regarding free meals for all students and expanded testing, charter schools were unsure of whether or how they could participate. If the Department proactively inquired about whether and how charter schools could participate and communicate that information, it would help because each charter school would not need to make the inquiry.

- C. Fiscal Plan (Categorical Budgeting).** The fiscal plan should align with and support the educational plan. In order to give the Department more flexibility, the Board should allow the Department to describe how it is allocating funding by categories and not necessarily by programs. The level of detail the Department uses should not be less than what it used to describe funding uses in its application to USDOE for the use of ESSER ARP funds. While this is less than the level of detail that the Board has been asking for, I believe that pairing this fiscal plan with a detailed educational plan should theoretically provide the Board with sufficient information. Further discussion may be necessary once the Department presents the Board with an educational and fiscal plan, in the event that the information is still insufficient, but my intent is for the Board to provide the Department with some clear expectations and directions, to the extent that it is possible at this point.

Budget Shortfalls. The one exception to this categorical budgeting is budget shortfalls. The Board wants to reserve as much money as possible for the educational plan by restricting the amount of money that is allocated toward budget shortfalls because these funds do not have a direct effect on students. As such, the Board will continue to require the Department

to bring requests for actual, not projected, needs for budget shortfalls. The Department will not be able to expend ESSER funds on any budget shortfalls without prior Board approval.

Charter Schools – set aside and funding source. It appears that when the Department calculated the charter schools' pro rata share, the Department may have used the same formula it uses to allocate general funds where the Department withholds amounts for special education services. Because the Department, as the State Educational Agency ("SEA") is responsible for providing a free and appropriate education, when it distributes general funds, it retains a certain amount that it uses to provide special education services to charter school students. I do not believe that the Department should withhold funds for special education services from ESSER Funds unless it is planning on tracking the amounts set aside for charter school special education services and using these funds for charter school students who receive special education services.

My understanding is that the Department used federal impact aid funds to provide charter schools with their pro-rata share and that this was done to make the administration of the ESSER Funds easier for the Department. While the Department is required to track and report on the use of ESSER Funds, federal impact aid funds do not carry the same reporting requirements. The Department asked charter schools to use their pro-rata share for the same purposes allowable under ESSER. My only concern is that other federal funds, like impact aid funds, may lapse sooner than ESSER Funds and schools may not have enough time to spend the money. The proposed guidance directs the Department to take the lapse date of any funds transferred to charter schools into consideration.

- D. Detailed Expenditure Reporting.** While categorical budgeting allows the Department a level of flexibility, the detailed expenditure reporting is designed to provide accountability so that the Board can fulfill its responsibility as the administrator of federal funds while not overly burdening the Department.

I understand that the Department tracks spending by program and can use this to report on federal funding expenditures, so this should not be an additional task or burden. This is closer to the level of detail that the Board was originally requesting, but instead of providing it at the budgeting stage, the Board will get it at the expenditure stage. I believe that this will provide the Department with the flexibility it wants while providing the Board with the detail it needs.

The Department's expenditures must be clearly consistent with its educational and fiscal plans. All three (the educational plan, fiscal plan, and expenditure reporting) are part of the same framework and should be clearly consistent and aligned.

VI. RECOMMENDATION

I recommend that the SAC and FIC Committees approve the ESSER II and ESSER ARP Fund guidance described in the attached **Exhibit A.**

Exhibit A
ESSER II AND ESSER ARP FUND GUIDANCE

ESSER II AND ESSER ARP FUND GUIDANCE

1. **Three Part Framework.**

- a. The Board directs the Department to provide a framework made up of three parts, an educational plan, fiscal plan, and a detailed expenditure report detailing how it will strategically and equitably use and distribute ESSER II and ESSER ARP funds (collectively, “ESSER Funds”) for the 2021-2022, 2022-2023, and 2023-2024 school years.
- b. The Board directs the state and complex area levels to ensure that the three-part framework leverages the ESSER funds to the greatest extent possible, looks for economies of scale, and are used to supplement, not supplant existing educational resources.

2. **Educational Plan.** The Board directs the Department to provide an educational plan that focuses on a description of systems, not programs, to provide a clear picture of how all of the elements work together to achieve a goal.

a. **Timing.**

- i. 2021-2022 school year. The Board directs the Department to use any funds allocated to the 2021-2022 school year to focus on health and safety, and supplemental academic and social-emotional learning supports after school, and during breaks (winter, spring, and summer).
- ii. 2022 summer. The Board directs the Department to provide details of its plan for the 2022 summer session, as a part of the overall education plan, by April 2022.
- iii. 2022-2023 school year. The Board directs the state and complex area levels to ensure the educational plan for the 2022-2023 school year is developed and approved by the Board by December 2021 so that it can be shared with schools and incorporated into their academic-financial plans for the 2022-2023 school year.
- iv. 2023-2024 school year. The Board directs the state and complex area levels to ensure the educational plan for the 2023-2024 school year is developed and approved by the Board in a timely manner so that it can be shared with schools and incorporated into their academic-financial plans for the 2023-2024 school year.

- v. Amendments. In the event the Department requests approval of amendments to its educational plan, the Board directs the Department to endeavor to schedule these requests in conjunction with data supporting the amendment and expenditure reporting.

b. Equitable distribution.

- i. Equitable Distribution. The Board directs the Department to distribute all ESSER funds equitably and not equally.
- ii. Health and Safety Equitable Distribution. The Board directs the Department to equitably distribute health and safety resources to schools, complexes, or complex areas with the least access to such resources.
- iii. Accelerated Learning Equitable Distribution. The Board directs the Department to equitably distribute resources intended to accelerate learning to students who have been disproportionately impacted by COVID-19. The Board directs the Department to use relevant Strive HI performance system data, Smarter Balanced Assessment data, universal screeners, grades, on-track to graduate data, data measuring social-emotional needs, and other relevant data to determine which students were disproportionately impacted by COVID-19.

c. Health and Safety.

- i. The Board directs the Department to plan for and allocate funds and resources towards ensuring all students have convenient access to vaccinations, preferably in schools, as vaccinations for various age groups are approved while prioritizing schools and complex areas with the least access to vaccination resources.
- ii. The Board directs the state and complex area levels to endeavor to provide every school access to testing resources to limit the spread of COVID-19 and to allow staff and students to safely return to in-person learning after exposure as soon as possible, to the extent allowable under DOH rules.

d. Accelerated Learning.

- i. The Board encourages the Department to identify individual students who have been disproportionately impacted by COVID-19 and provide interventions and supports individualized to meet the specific needs of each student.
- ii. The Board encourages the Department to reflect on whether it needs to look at different ways to identify and measure COVID-19 impact on student learning.

- e. **Social-Emotional Learning.** The Board directs the Department to equitably allocate funding to address the social-emotional needs of disproportionately impacted students, provide necessary training to staff so they can support students, and find ways to incorporate more Social-Emotional Learning into core instruction and school cultures.
 - f. **Metrics.** The Board directs the Department to identify metrics, which do not place additional data entry and collection burdens on schools, that the Board and Department can use to timely measure the effectiveness of the funds spend on health and safety and the supplemental educational supports and programs the Department is providing using ESSER funds and regularly report disaggregated data to the Board.
 - g. **Charter Schools – Coordination.**
 - i. The Board directs the Department to work with charter schools and/or the State Public Charter School Commission, particularly as it pertains to matters relating to health and safety and coordinating with local, state, and federal officials and agencies.
3. **Fiscal Plan (Categorical Budgeting).** The Board directs the Department to create a Fiscal Plan, which clearly aligns with and supports the educational plan and describes categories of funding with dollar amounts associated with each category with no less detail than what was contained in the application to the United States Department of Education for the use of ESSER ARP funds.
- a. **Budget Shortfalls.** The Board directs the Department to bring requests to fund actual, not projected, budget shortfalls to the Board; the Department cannot expend funds on budget shortfalls without Board approval.
 - b. **Charter Schools – set aside and funding source.**
 - i. The Board directs the Department to refrain from setting aside amounts for special education services when calculating charter school pro-rata share unless the Department is planning on tracking and using ESSER funds in the same way it uses general funds allocated to special education.
 - ii. The Board directs the Department to ensure that charter schools have a reasonable amount of time to spend their pro-rata share before they lapse, in the event the Department distributes federal funds, other than ESSER Funds to the charter schools.
4. **Detailed Expenditure Reporting.** The Board directs the Department to provide periodic reports of the expenditure of ESSER Funds, including reports on a timetable established

by the Board, annual reports, and a report at the end of the ESSER II and ESSER ARP periods.

- a. The Board directs the Department to ensure that its expenditures are clearly consistent with the educational plan and fiscal plan.