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AMENDED

Statement of

THEODORE E. LIU

Director

Department of Business, Economic Development, and Tourism

before the

HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

February 8, 2008

8:30 a.m.

State Capitol, Conference Room 309

in consideration of

HB 3072 HD1

RELATING TO THE HAWAII HIGHER EDUCATION COMMISSION.

Chair Sonson, Vice Chair Nakasone, and Members of the House Committee on Labor and Public Employment.

The Department of Business, Economic Development, and Tourism (DBEDT) strongly supports HB 3072HD1, an Administration measure proposing to rename the state post-secondary education commission, broaden its membership, and expand its responsibilities. We do not support the proposed change in the way that Commission members are appointed and have comments on other changes that have been proposed in House Draft 1.

Each year, we see more attention being focused on the need for a quality education system to meet the economic and social needs of our citizens as we compete in an ever more complex world. Where at one time, a high school diploma was a requirement and a college education enhanced employability and earnings, today, many of the jobs in our increasingly knowledge-based economy require at least some form of postsecondary education.

At the same time, there is disturbing evidence that we are now a nation in which the 45-54 age group is better educated than the younger generations, and in Hawaii the downward trend in more pronounced than the nation as a whole. Although Hawaii ranked first in the nation in

2005 for citizens aged 18-24 with a high school diploma, data for 2004 indicate that only 51.6% of recent high school graduates entered college immediately and only 36% of 18-24 year olds are enrolled in college. According to the report, *Measuring Up 2006: The State Report Card on Higher Education*,

“High school students are not very likely to enroll in college by age 19. Over the past decade, Hawaii has experienced the steepest decline in the nation on this measure, primarily because the percentage of 9th graders graduating from high school in four years and the percentage of graduates going on to college have both dropped.”

Across the nation, states are examining how they can deliver a better educational product from pre-school through college and beyond by improving the preparation of students and increasing the numbers of people seeking advanced education.

This bill focuses on Hawaii’s higher education institutions. Many states, such as Maryland, New Jersey, Arizona and California have Commissions on Higher Education that with mandates to carry out responsibilities such as:

- Statewide planning for higher education;
- Carrying out research on higher education issues;
- Recommending policy to administrative and legislative leaders;
- Providing accountability;
- Licensing institutions of higher learning;
- Overseeing financial aid programs; and
- Advocating on behalf of higher education.

These commissions vary in composition; some include both private and public schools, some have large staffs that carry out a variety of functions, while others are smaller and more focused on a limited range of activities. However, they all share a similar mission to prepare their citizens to become productive members of society.

In Hawaii, the State Post-Secondary Education Commission, established under Section 304A-3151, Hawaii Revised Statutes, serves the limited function of qualifying the State to receive certain federal funding. The Commission is heavily oriented toward the University of Hawaii, with membership consisting of the Board of Regents and “...four other members who

shall be broadly and equitably representative of the general public and public and private nonprofit and proprietary institutions of post-secondary education...”

This bill proposes to reconstitute the Commission with a broader representation from both public and private institutions of higher education, as well as representatives from industry, government, and the general public. We believe that this broad-based group can help forge a State policy that increases the number of college-bound high school graduates and links higher education to the economic development and workforce needs of the State. To this end, we have also proposed to expand the duties and responsibilities of the Commission to include: developing an incentives program that is designed to meet workforce needs, such as in the area of science, technology, engineering, and math; evaluating the public school system’s ability to prepare Hawaii’s students for post-secondary education; and recommending policies to increase the rate of students seeking post-secondary education.

HB3072HD1 amended the bill to reduce the number of commissioners and change the way that the four commissioners selected to represent a variety of economic sectors and the Neighbor Islands are appointed, shifting the responsibility from the Governor to the Senate President and Speaker of the House. We do not support the change in the way the Commission members are appointed. We acknowledge the intent of the Higher Education Committee to reduce the number of Commission members to a smaller number, since it is sometimes difficult to bring large groups together for meetings. However, we would like to suggest the following language to replace lines 7 and 8 on page 5:

“and from the different fields of finance, technology, health, and international affairs;”

The amended bill also makes one other major change by assigning the Commission to DBEDT for administrative purposes. The department is willing to take on this responsibility, at least on an interim basis, because of the importance of aligning higher education with the State’s economic development goals. We welcome the opportunity to work with the education community and the Legislature to arrive at a workable bill that will serve to enhance the capacity of the State’s higher education system.

Thank you for the opportunity to provide these comments.

Date: February 8, 2008

Committee: House Labor and Public
Employment

Department: Education

Person Testifying: Patricia Hamamoto, Superintendent

Title: H.B. No. 3072, Relating to the Hawaii Higher Education

Commission

Purpose: Rename the state post-secondary education commission to the Hawaii higher education commission, broaden the membership, and expand the powers and authority.

Department's Position: The Department of Education (DOE) does not support this Bill as it is currently drafted to give the commission the authority to evaluate the DOE's elementary and secondary schools. The Board of Education, by virtue of Policy #1200-1.2 titled *Authority and Responsibility of the Board of Education*, is the authority to formulate policy and exercise control over the public school system. Giving the commission the authority to evaluate the DOE's elementary and secondary schools is in conflict with the function of the Board of Education.

The DOE, however, believes the commission's broader membership and expanded powers will increase opportunities for students to pursue post-secondary education in science, technology, engineering and mathematics (STEM). The DOE will work collaboratively as a commission member to assure that our students are prepared to pursue careers in STEM fields and enter institutions of higher education.

Testimony Presented Before the
House Committees on Labor and Public Employment Committee
February 8, 2008

by

Linda K. Johnsrud

Vice President for Academic Planning and Policy, University of Hawai'i System

HB3072HD1 - Relating to the Hawai'i Higher Education Commission

Chair Sonson, Vice Chair Nakasone, and members of the House Committee on Labor and Public Employment:

I am Linda K. Johnsrud, Vice President for Academic Planning and Policy, University of Hawai'i System, and I am testifying on behalf of the University on House Bill 3072 House Draft 1 that renames the Hawai'i State Postsecondary Education Commission, adds members, places it within the Department of Business, Economic Development, and Tourism for administrative purposes, and expands its powers and authority.

HB3072 HD1 expands the scope of the Commission's responsibilities to include student incentive programs to meet workforce needs, and extends its authority to evaluate Hawai'i's elementary and secondary public schools. In light of this expanded scope beyond higher education, the University of Hawai'i respectfully recommends that a name change to the Hawaii Commission on Education and Economic Development would be more appropriate than the name Hawai'i Higher Education Commission.

Thank you for the opportunity to testify.