

Date: 01/30/2008

Committee: Senate Education

Department: Education

Person Testifying: Patricia Hamamoto, Superintendent of Education

Title of Bill: SB 2244 RELATING TO TEACHERS.

Purpose of Bill: Provides an annual apportionment of funds from the general excise tax to all public school teachers for reimbursement of classroom out-of-pocket expenses

Department's Position: The Department of Education appreciates the Legislature's support of teachers, just as we support them. However, the Department opposes this measure, since it creates a special fund that is unnecessary. The Department already has a weighted student formula in its general fund appropriation that results in allocations of funding to schools, reviewed annually by a Committee on Weights as required by state law. What would be more effective, would be additional general fund appropriations that the Board of Education and Department can allocate to schools as part of the weighted student formula.

The Department opposes the minimum employment time requirement for teachers to be eligible for reimbursement. This requirement is inequitable and does not seem to be directly related to the purpose of the bill. A new teacher for the Department may be replacing an experienced teacher who had worked previously at the school so he or she would be serving the same student body for which out-of-pocket expenses may have incurred. It appears this new teacher will be penalized by not allowing him or her to be reimbursed for expending money for his or her classroom and students, and yet the new teacher is still responsible for student achievement.

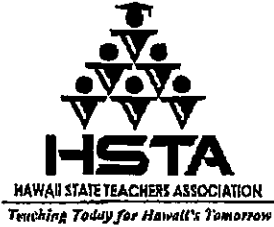
If passed, the Department recommends amendments to the bill to clarify that teachers should be required to provide documentation of the expenditures prior to reimbursement. The current language states that the "principals . . . shall divide the apportioned monies to all teachers equally in their schools." More appropriate language for clarity would be "principals . . . shall set aside the funds to reimburse all teachers equally in their schools for properly documented expenses up to the amount of allocated funds available for each teacher."

It is true that many teachers use their own personal funds for school needs. Teachers often use their own funds for special instructional supplies not typically provided in school. For example, food is often used in language arts, mathematics, science, social studies, or health lessons. Teachers often purchase their own additional reference books to enrich lessons. They often also provide specialty supplies such as colored pens, small rewards like stickers, and other art supplies for promoting and encouraging student achievement. In addition to food or other specialty supplies, schools and/or teachers may take it upon themselves to help needy students with basic living needs such as rubber slippers to be worn in the classroom or other daily hygiene needs like deodorant, soap, shampoo, toothbrushes, and toothpaste in order for children not to be negatively singled out.

There are already procedures and mechanisms in place to reimburse teachers for expenses, once there is adequate funding to do so. The question is not how or whether we should reimburse, but do we have sufficient funds to reimburse?

In summary, the Department of Education again appreciates the Legislature's support of teachers; however, opposes this measure to establish a special fund. Adding additional funds to the Department's

general fund appropriation for the weighted student formula would be a better solution. However, funding priority must also be given to the Board of Education's supplemental operating budget requests before this measure.



1200 Ala Kapuna Street • Honolulu, Hawaii 96819
Tel: (808) 833-2711 • Fax: (808) 839-7106 • Web: www.hsta.org

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**TESTIMONY BEFORE THE SENATE COMMITTEE ON
EDUCATION**

RE: SB 2244 – RELATING TO TEACHERS.

January 30, 2008

**ROGER TAKABAYASHI, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION**

Chair Sakamoto and Members of the Committee:

The Hawaii State Teachers Association supports SB 2244, which provides an annual apportionment of funds from the general excise tax to all public school teachers for reimbursement of classroom out-of-pocket expenses.

At the end of a school year, teachers are given an allotment of monies to be spent on supplies needed for the upcoming year. Often, this amount is not enough to purchase all necessary items; teachers therefore need to be selective about the items they purchase. The other items are either put on hold until the next allotment of monies come in to the school or teachers have to pay out of pocket if the item is needed immediately. Of course, as the year progresses, teachers may find they need an item for a project or lesson which they will have to buy themselves.

This bill would give teachers the opportunity to purchase items that were not foreseen when allotments were made. Knowing they could be reimbursed for necessary and appropriate expenses would reduce the impact on the household budgets and personal finances of teachers and provide them with much-needed peace of mind.

We urge the committee to pass this bill.

Thank you for the opportunity to testify.

L E G I S L A T I V E

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126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: GENERAL EXCISE, Disposition for public school teachers reimbursement special fund

BILL NUMBER: SB 2244; HB 2365; HB 2549 - (Identical)

INTRODUCED BY: SB by Chun Oakland; HB 2365 by Mizuno, Brower, Ching, Green, Thielen, Waters and 3 Democrats; HB 2549 by Shimabukuro

BRIEF SUMMARY: Amends HRS section 237-31 to provide that \$_____ in general excise tax revenues shall be deposited annually into the public school teachers reimbursement fund under HRS section 302A-_____.

Adds a new section to HRS chapter 302A to establish a public school teachers reimbursement special fund to reimburse teachers for out-of-pocket classroom expenses.

The amendments made to this section by this act shall not be repealed when HRS section 237-31 is reenacted on June 30, 2008 pursuant to Act 304, SLH 2006.

EFFECTIVE DATE: Tax years beginning after December 31, 2007

STAFF COMMENTS: The proposed measure appropriates an unspecified amount of general excise tax revenues into a public school teachers reimbursement special fund to reimburse public school teachers for out-of-pocket classroom expenses. It should be noted that as with any earmarking, the legislature will be giving their stamp of approval for another "automatic funding" mechanism, in this case, the earmarking of general excise tax revenues into the public school teachers reimbursement special fund. Funds would be diverted to the special fund without any legislative intervention. Without legislative scrutiny, it would be difficult to ascertain the effectiveness of the reimbursement program and whether or not the fund has too little or too much revenue. More importantly, the diversion of general excise tax revenues to this special fund would mean that there would be that much less in general funds for other programs and services.

The danger in adopting this measure is that it may spawn additional requests for funding of other "needy" programs through the earmarking of general excise tax revenues.

How soon lawmakers have forgotten how earmarking general fund revenues can get the state into trouble. It was only 1989 when lawmakers approved earmarking \$90 million for educational facilities as the "commitment" to education and only three years later took back the earmarking because general fund revenues started to dwindle. Further, rather than spurring on construction of classrooms, the earmarking merely created apathy as school officials knew they would receive \$90 million off the top and they didn't have to justify a request for funding. Instead of proposing measures like these, lawmakers should go back and read a little of their own history and learn from their mistakes.

SB 2244; HB 2365; HB 2549 - Continued

Rather than perpetuating the earmarking of general funds, lawmakers should repeal all earmarking and utilize the appropriation process which would be more accountable than any earmarking scheme. At least, lawmakers will be able to evaluate how the program is working and whether not the program is being fully utilized. Before lawmakers fidget with the expenditure of funds that will have not accountability, they need to understand why teachers spend their own funds on classroom supplies. Could it possibly be that the purchase order system is broken, that government bureaucracy is so daunting that teachers don't want to deal with it? Instead opting for a "quick fix" like this, lawmakers should spend some time studying the problem and fix the system instead of just throwing money at the problem. But then again, that appears to modus operandi of the state legislature.

Finally, to the extent that there is absolutely no relationship between the source of the funding and the object of expenditure, the State Auditor would probably find this new special fund inappropriate. Further, to the degree it would siphon off what has traditionally been a general fund receipt, this measure violates the spirit, if not the intent, of the general fund expenditure ceiling. For the state council on revenues, this would represent yet one more adjustment they have to make to their forecast of general fund tax revenues.

Digested 1/29/08