

SB2436

**Date:** 02/01/2010

**Committee:** Senate Education and Housing  
Senate Human Services  
Senate Commerce and Consumer  
Protection

**Department:** Education

**Person Testifying:** Kathryn Matayoshi, Interim Superintendent of Education

**Title of Bill:** SB 2436

RELATING TO EDUCATION

**Purpose of Bill:** Makes an emergency appropriation from the Hawaii hurricane relief fund and the emergency and budget reserve fund to restore as many instructional days during the 2009-2010 school year as possible.

**Department's Position:** The Department of Education strongly supports any viable solutions to restore instructional days. Furloughs have focused the spotlight on our public schools and the need to make education in our state a top priority. Thus, the Department encourages the legislature to explore all funding options available. However, the policy decision of where and how funding is obtained to address furloughs should be determined by the legislature. The Department continues to meet with the Hawaii State Teachers Association to discuss solutions to restore some instructional days during this semester as well as next school year.



LINDA LINGLE  
GOVERNOR  
  
JAMES R. AIONA, JR.  
LT. GOVERNOR

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LAWRENCE M. REIFURTH  
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RONALD BOYER  
DEPUTY DIRECTOR

TO THE SENATE COMMITTEES ON EDUCATION AND HOUSING, HUMAN  
SERVICES, AND COMMERCE AND CONSUMER PROTECTION

TWENTY-FIFTH LEGISLATURE  
Regular Session of 2010

Monday, February 1, 2010  
1:15 p.m.

**TESTIMONY ON SENATE BILL NO. 2436 – RELATING TO EDUCATION.**

TO THE HONORABLE NORMAN SAKAMOTO, SUZANNE CHUN OAKLAND, AND  
ROSALYN H. BAKER, CHAIRS, AND MEMBERS OF THE COMMITTEES:

My name is J.P. Schmidt, State Insurance Commissioner, testifying on behalf of the Department of Commerce and Consumer Affairs (“Department”) and the Board of the Hawaii Hurricane Relief Fund (“HHRF”). The Department opposes this bill, which removes an unspecified amount of money from the HHRF to help pay to end the public school teacher furloughs.

According to Hawaii Revised Statutes section 431P-4(a) the HHRF board must redeploy the HHRF if there is another market scarcity in property insurance in Hawaii, which will most likely occur following another severe hurricane event. An intervention by the HHRF can be vitally important because a scarcity in property insurance not only puts individual homeowners at risk of loss, but also may put them in a position where their mortgage lender will force place their insurance in the surplus lines market at very high cost. In addition, for those that are not able to obtain or afford this surplus lines insurance, there may be a negative impact on mortgage lending transactions and the real estate sales transactions that mortgage lending supports. Thus, the HHRF in the

broadest sense can help mitigate an economic downturn that may arise after a severe hurricane. HHRF is more than just hurricane insurance.

Since HHRF closed its doors at the end of 2001, the HHRF Board has consistently opposed any taking of money from the HHRF and I have supported them in this regard. The HHRF Board believes that the annual taking of approximately \$6 million dollars in interest<sup>1</sup> is bad for the future HHRF and its policyholders. The Department recognizes that there is an economic problem and a related government budget problem, but these problems cannot be solved in any lasting way through a one-time raid of the HHRF.

The HHRF will need money to restart and the more money it has the faster it can redeploy in the market. It takes time and money to start an insurance company. As HHRF begins issuing policies there will not be adequate premium revenues to buy sufficient reinsurance for the risk of hurricane that is being written by HHRF. This is why it is important to keep some money in HHRF. The more money HHRF has, the faster it can redeploy. Without significant reserves, HHRF will likely be much slower in redeploying and this will have negative financial and economic consequence for the people of Hawaii.

In addition to the money needed strictly for the restart, we should not forget that the purpose of HHRF is not merely to restart, but to provide credible, solid hurricane insurance coverage to its policyholders. At its peak, HHRF provided hurricane coverage to 160,000 policyholders at a total coverage provided of \$40 billion dollars, \$33 billion of which was concentrated on Oahu alone. It is very easy for HHRF to run out of money if it suffers hurricane losses that exceed its reinsurance program. This is why the HHRF Board has opposed takings from HHRF in the past. HHRF is financing catastrophe risk and this is very serious. If HHRF runs out of money after it has promised valid insurance coverage to Hawaii homeowners, the consequences for the people of Hawaii in general and the Hawaii State government in particular could be a second catastrophe as we are trying to recover from the first catastrophe. Therefore, the

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<sup>1</sup> This does not include the \$28 million that was taken from the HHRF in 2002.

Department asks these Committees to exercise serious caution in regards to any measure that removes money from the HHRF.

We thank the Committees for the opportunity to present testimony on this matter and ask that this bill be held.

WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE SENATE COMMITTEES ON EDUCATION AND HOUSING, HUMAN  
SERVICES, AND COMMERCE AND CONSUMER PROTECTION  
ON  
SENATE BILL NO. 2436

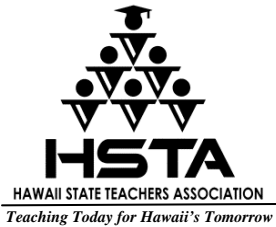
February 1, 2010

RELATING TO EDUCATION

Senate Bill No. 2436 makes an emergency appropriation of an unspecified amount from the Hawaii Hurricane Relief Fund and the Emergency and Budget Reserve Fund to restore as many instructional days during the 2009-2010 School Year as possible. The bill states that the Governor has recommended the bill's immediate passage in accordance with Section 9 of Article VII of the Constitution of the State of Hawaii.

We take no position on the bill; however, it should be noted that at this time the Governor has not recommended the immediate passage of Senate Bill No. 2436.

Article VII, Section 9 of the State Constitution, provides that only the Governor is authorized to designate appropriation bills for immediate passage.



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**TESTIMONY BEFORE THE SENATE COMMITTEES ON  
EDUCATION & HOUSING, HUMAN SERVICES, AND  
COMMERCE & CONSUMER PROTECTION**

**RE: SB 2436 – RELATING TO EDUCATION**

February 1, 2010

**WIL OKABE, PRESIDENT  
HAWAII STATE TEACHERS ASSOCIATION**

Chairs Sakamoto, Chun Oakland, Baker and Members of the Committees:

The Hawaii State Teachers Association supports SB 2436, which makes an emergency appropriation from the Hawaii Hurricane Relief Fund and the Emergency and Budget Reserve Fund to restore as many instructional days during the 2009-2010 school year as possible.

During negotiations for the 2010 – 2011 teachers contract, the idea of furloughs was put on the bargaining table as a way to help make up the budget shortfall; as many as thirty-six furlough days per year were proposed. In fact, at one point during contract talks, the governor declared that furloughs were not a subject of bargaining and threatened to impose three (3) furlough days per month over two years on every state employee. The court intervened and ruled furloughs were, in fact, subject to collective bargaining.

In the end, teachers agreed to accept seventeen (17) days of furloughs per year, over two years. Teachers were hailed by the news media for taking the lead and being the first public employee union to settle their contract. Editorial writers applauded teachers for making a sacrifice by taking what amounted to a 7.9 percent pay reduction. Many people, including the governor and some of you, praised teachers for setting the example for the public employee unions. After taking a pay cut, teachers at 184 schools then voted to give up planning and professional development days so they could be converted to instructional days.

Teachers, as well as everyone in this room, want an end to furloughs. We are currently seeing television commercials by parent groups encouraging the governor to end the furloughs. And yet, here we are, more than halfway through the current school year with no relief in sight.

A little over a month ago, on December 28, 2009, the Hawaii State Teachers Association, the Board of Education, and the Department of Education negotiated a workable solution to end Furlough Fridays. This plan called for converting seven (7) of the ten (10) remaining furlough Friday's left in the current school year, to instructional days, and moving the other three days to the end of the school year. But the governor rejected it, even though it was based on her plan to use the Rainy Day Fund to end the furloughs.

We appreciate your committee taking the initiative and leadership to end furlough Fridays during the remainder of the current school year.

Thank you for the opportunity to testify.





# PHOCUSED

PROTECTING HAWAII'S OHANA, CHILDREN, UNDER SERVED, ELDERLY AND DISABLED

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TO: Senator Norman Sakamoto, Chair  
Senator Suzanne Chun Oakland, Chair  
Senator Rosalyn Baker, Chair  
And members of the Senate Education, Housing, Human Services,  
Commerce and Consumer Protection Committees

FROM: Joanne Lundstrom, Chair  
PHOCUSED (Protecting Hawai'i's Ohana, Children, UnderServed,  
Elderly and Disabled)

RE: SB 2436 Relating to Education

Senator Sakamoto, Senator Chun Oakland, Senator Baker and members of the Senate Education, Housing, Human Services, Commerce and Consumer Protection Committees. I am Joanne Lundstrom, chair of PHOCUSED, a coalition of health, housing, human service agencies and individual advocates voicing the needs of the marginalized and underserved in Hawai'i. **PHOCUSED supports the intent of SB 2436 to end furlough Fridays.** Clearly a solution to end this short sighted decision to balance our budget must be found.

PHOCUSED believes the Rainy Day fund, as well as other reserve funds, should be used to meet basic educational needs of our children, *and ensure core support for the poor and needy*, for whom the fund was originally established. In addition, PHOCUSED believes that discussion is needed on how best to allocate other reserve funds, and respectfully offers to be part of that discussion. There is no question leadership needs to find resources to preserve essential safety net and core services, as well as the restoration of school days.

As advocates for the Health, Housing, and Human Services sector we are also concerned about balancing the budget at an enormous social cost to our public school children, as well as our disabled citizens, the frail elderly, families who are a heartbeat away from homelessness, victims of domestic abuse, infants and toddlers who need special attention at the start of their lives, and others among us who are particularly vulnerable at a time of fiscal restraint. Recent surveys have indicated that the needs of our most vulnerable residents have risen alarmingly, while services to address their needs continue to be cut by the State.

PHOCUSED remains united to protect those with the greatest need, and urge that services not be pitted against one another in your efforts to balance an out-of-sync system. We know the hard question is: where are funds to do what is pono going to come from? We don't have the answers, and we do support looking at all revenue options, with a careful analysis of consequences both intentional and unintentional, as you consider the opportunities.

We appreciate the opportunity to share our concerns with you, and offer to be a resource to you in future deliberations.

Mahalo for the opportunity to testify.

January 29, 2010

**The Honorable Norman Sakamoto, Chair**  
Senate Committee on Education and Housing

**The Honorable Suzanne Chun Oakland**  
Senate Committee on Human Services

**The Honorable Rosalyn H. Baker**  
Senate Committee on Commerce and Consumer Protection  
State Capitol, Room 225  
Honolulu, Hawaii 96813

**RE: S.B. 2436 Relating to Education**

**HEARING: Monday, February 1, 2010 at 1:15 p.m.**

Aloha Chair Sakamoto, Chair Chun Oakland, Chair Baker and Members of the Joint Committees:

I am Myoung Oh, Government Affairs Director, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its 8,800 members in Hawai'i. HAR **expresses concerns** on S.B. 2436 which makes an emergency appropriation from the Hawai'i Hurricane Relief Fund and the Emergency and Budget Reserve Fund to restore as many instructional days during the 2009-2010 school year as possible.

HAR believes that, while education is of great value to the State, we have historically believed the most practical and responsible use of the Hawai'i Hurricane Relief Funds is to use the Fund for the purpose for which it was collected - - to protect and provide for the public in the event of a future hurricane and to meet reinsurance needs.

HAR looks forward to working with our state lawmakers in building better communities by supporting quality growth, seeking sustainable economies and housing opportunities, embracing the cultural and environmental qualities we cherish, and protecting the rights of property owners.

Mahalo for the opportunity to testify.



January 29, 2010

TO: Sen. Norman Sakamoto, Chair  
And Members of the Education and Housing Committee  
Sen. Suzanne Chun Oakland, Chair  
And members of the Senate Human Services Committee  
Sen. Rosalyn Baker, Chair  
And members of the Commerce and Consumer Protection Committee

FROM: Debbie Shimizu, LSW  
National Association of Social Workers, Hawaii Chapter

RE: SB 2436 Relating to Education

Chair Sakamoto, Chair Chun Oakland, Chair Baker and members of the Education, Housing, Human Services, Commerce and Consumer Protection Committees, I am Debbie Shimizu, Executive Director of the National Association of Social Workers, Hawai'i Chapter. I am testifying in **SUPPORT of the intent of SB 2436 Relating to Education.**

NASW supports the intent of using a portion of the Hurricane Relief Fund and the Emergency and Budget Reserve Fund to restore some of the instructional days during the 2009-2010 school year. However, we believe that a fair portion of these funds is also needed to support services provided by the safety net to our most vulnerable populations. In order for our keiki to attend and effectively utilize the educational system, they and their family members must have access to and receive services that will ameliorate abuse, domestic violence, substance abuse, health and mental health issues, and homelessness.

Social workers in the public and private sectors see first hand the impact that problems in the home have on children. How can a child effectively learn when his/her family is falling apart? Children cannot learn when they are living in parks or on the beach. What can we expect of our youngsters in school when there is no childcare to enable mom and dad to work? We know that student learning is compromised when children have not eaten because food bank shelves are empty. Children can only thrive in the classroom when their basic human needs are met. Education goes hand in hand with the stability of the home environment. It is impossible to have one without the other. The Emergency and Budget Reserve Fund was established "to maintain levels of programs determined to be essential to the public health, safety, welfare, and education" (HRS 328L-3). Education is essential to the well-being of our state, but so are health, safety and social welfare programs. The rainy day fund was never intended to pit one critical service against another, but to shelter all needs from the storm.



To: Senate Committee on Education and Housing  
Senator Norman Sakamoto, Chair  
Senator Michelle Kidani, Vice Chair

Senate Committee on Human Services  
Senator Suzanne Chun Oakland, Chair  
Senator Les Ihara, Jr., Vice Chair

Senate Committee on Commerce and Consumer Protection  
Senator Rosalyn H. Baker, Chair  
Senator David Y. Ige, Vice Chair

Date: Feb. 1, 2010 - Conference Room 225 - 1:15 p.m.

Re: **SB 2436 RELATING TO EDUCATION**

Chairs Sakamoto, Chun Oakland, Baker and Committee Members:

My name is Barbara Kim Stanton, State Director of AARP Hawaii. AARP is a membership organization of people 50 and older with 150,000 members in Hawaii. We are committed to championing access to affordable, quality health care for all generations, providing the tools needed to save for retirement, and serving as a reliable information source on issues critical to Americans age 50+.

**AARP is strongly opposed to SB 2346 with respect to the Emergency and Budget Reserve Fund as an identified source of funding.** The bill's purpose is to appropriate an unspecified amount in Hawaii hurricane relief funds and emergency and budget reserve funds to restore as many instructional days during the 2009 - 2010 school year as possible.

While we believe that restoring instructional days is very important to our community, the Emergency and Budget Reserve (Rainy Day) Fund is not the appropriate vehicle to address the furlough funding shortfall for the following reasons.

- This remedy is likely to decimate the Rainy Day Fund as the fiscal needs for education are great.
- The law that created the Rainy Day Fund specifically prohibits funding cost items in any collective bargaining contract. Restoration of instructional days will require funds to support collective bargaining agreements.
- The Rainy Day Fund must address what it was intended to support: pressing community needs for health, safety and welfare. Shortfalls in these areas impact our community's most fragile.

In summary, the Rainy Day fund was not designed for and is too small to be more than a temporary fix for education. The Rainy Day fund must be preserved because, at times like this, it is needed to protect critical health and human service programs for our most vulnerable citizens. A prime example is the concern we have for the Kupuna Care program which is already stretched to provide home and community based services for home bound, frail elderly people.

Thank you for the opportunity to testify on this measure.

**sakamoto2 - Erin**

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**From:** TonyABF@aol.com  
**Sent:** Thursday, January 28, 2010 6:32 PM  
**To:** EDH Testimony  
**Cc:** JBoLand@aarp.org; mpaularena@yahoo.com  
**Subject:** Relating to education 2/1/10 1:15 PM--SB2436

Although I have been a supporter of using the hurricane relief as a source of revenue for education, using the "rainy day" fund goes against the intent of this fund. I strongly support using the rainy day fund to support Kupuna care as this is within the scope and intent of the fund.

Caregivers are stretched to the breaking point--use the fund as it was intended and use the hurricane fund as the "emergency fund.

Thank you for your consideration of this most important matter.

Tony Fisher  
Vice-president South Maui AARP

**From:** Kevin O'GradyEsquire [KevinOGradyEsquire@hawaii.rr.com]  
**Sent:** Wednesday, January 27, 2010 1:19 PM  
**To:** EDH Testimony  
**Cc:** kevinogradyesquire@hawaii.rr.com  
**Subject:** SB 2436 SB 2437

To the Chairmen of the Committees on Education and Housing, Human Services, and Commerce and Consumer Protection  
RE: SB 2436 & 2437

Currently Scheduled for Hearing on 1 February, 2010 @ 1:15 p.m. in Conference room 225

I am opposed to these bills and urge you to vote against them.

The basic thrust of both of these bills is to raid the Hurricane and Emergency Funds of the state to pay for educational expenses, specifically to reduce the number of furlough days that are currently in place, and are expected to be in place for the next year or two, that take away instructional days from public school children.

SB 2437 also increases the GE tax and also increases standard deductions and provides for a tax credit for the purchase of food items.

- 1) The Hurricane / Emergency funds of the state, I believe, are intended for natural disasters, specifically Hurricanes, which Hawaii receives a fair share of. I believe that the funds should be maintained for that stated purpose and the funds should not be renamed or reclassified to allow them to be used in any other way. If anything stronger provisions should be in place to make sure the funds are only used for natural disasters and that any following legislature cannot easily undo the set aside of the funds for that stated purpose. What the state presently has is not a natural disaster but a fiscal depression, perhaps even a financial emergency. This arises from the state spending too much on too many things and not having the funds to continue to operate in that fashion. Although the legislature cannot interfere with or be a part of union negotiations directly, what it can do is make sure that one party, the state, operates within its means. This means that state programs and costs must be reduced, or at a minimum, held in place. Robbing from Peter to pay Paul is not a solution. Government, and unions, must realize that both must operate efficiently. Additionally, when times are tough and the government, which should be kept on a short financial leash anyway, has even less money, then both the state and unions must do like the rest of the population does- do more with less. That means that students should receive the same or MORE instructional days and that the substance of those days, whatever the number, should be improved since Hawaii consistently ranks near the bottom of all schools and that employees, whether state or educational, must, since there is less money to go around, either take a direct pay cut or lose some employees. The legislature should not enable profligate spending by raising taxes, raiding special funds or otherwise avoiding the hard reality that the state just cannot afford to spend like it has and continues to do.
- 2) The increases of the standard deduction and a credit for the purchase of food are decent ideas, but there are problems with SB 2437. For one, they are part of the raid on the hurricane fund. Additionally, I am not at all confident that they will stay in place, but I am very confident the raise in the GE tax will be permanent. I also believe that there is most cost to the average citizen than benefit. Part of the problem is the paradigm implicit in the entire hypothesis of these bills, which is that government can solve the problem, especially if it only had more money. This is a complete fallacy as the problem is government. Government, and its spending, is not the solution to anything. There is nothing in either of these bills that decreases the size of the state or specifically the BOE, nor does it improve efficiency of the schools, lessen administrative costs or impose any duties on any part of the state or BOE to do any of the above. What it does do is lessen the state's ability to be prepared for a natural disaster, increase the cost of doing business and living in Hawaii and therefore also make it harder for



any business to provide a good job to a Hawaii citizen. This bill is essentially the legislature giving with one hand and taking away with the other. What would be good is a REDUCTION in the GE tax, especially after it was raised recently, an increase in the standard deductions and more credits, like the food credit proposed, and of course these should be coupled with cuts in the state's costs.

All in all, both of these bills should be killed as quickly as possible.

Sincerely,

Kevin O'Grady, Esquire.

The Law Office of Kevin O'Grady, LLC  
1136 Union Mall, Suite 704  
Honolulu, Hawaii 96813  
Telephone 808-521-3367  
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To: Committee on Education and Housing, Senator Norman Sakamoto Chair  
Committee on Human Services, Senator Suzanne Chun Oakland, Chair  
Committee on Commerce and Consumer Protection, Senator Rosalyn Baker, Chair

Date: Monday, February 1, 2010, State Capitol Conference Room 225

Re: SB2436 Relating to Education

Chair Sakamoto, Chair Chun Oakland, Chair Baker and Committee Members: My name is Zoe Jarvis and I'm a resident of Waianae and a Tax Aide volunteer. I'm writing in opposition of SB 2436 Relating to Education.

I believe that education is important and shortfalls must be addressed. However, the Emergency and Budget Reserve (Rainy Day) Fund is not the appropriate vehicle to address education funding needs for three reasons.

- First, Education needs are so great that fixing them is likely to decimate the Rainy Day Fund.
- There are other pressing community needs, especially those related to health, safety and welfare needs, that the Rainy Day Fund was intended to support.
- I want to see part of the Rainy Day Fund used to support home and community based services for seniors.

I have a friend who was a caregiver for her husband and daughter and it was a 24 hour job. Without some assistance through Kupuna Care services she would not have been able to handle the responsibility throughout the care process.

As a Tax Aide volunteer I help our most vulnerable seniors on a weekly basis and I see a great need for Kupuna Care services as well as other human services. Please don't use the Rainy Day Fund for one issue and leave the rest of our community's needs out in the cold.

## Testimony re: SB 2436 RELATING TO EDUCATION

I am Jim Crowe, from Kula on Maui. I am testifying in opposition to SB 2436 Relating to Education. The Rainy Day Fund is not the proper fund to address non-health issues in the State. It should be used, as originally instituted, for health needs such as home based and community based health care for for Hawaii's Kupuna.

I am a caregiver for my senior citizen spouse who has a chronic health condition. I know three other caregivers in my neighborhood. What we caregivers can share is encouragement and personal support for each other. What we can not share is financial resources because we are on fixed income. Care giving is emotionally, physically and financially draining. It is a responsibility and burden that only caregivers can fully sense. The Rainy Day fund is needed to support caregivers like me and my friends, from the threat of financial hardship, which would only multiply the problems that we are working so hard to handle.

As you work to solve our state's financial difficulties, please keep your hearts and attention on our Kupuna. Leaving out our senior citizens would be only dismissing our weakest but precious people.

Jim Crowe  
30 Alanui Pl.  
Kula HI 96790

808 876 1975

**sakamoto2 - Erin**

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**From:** Marv Paularena [mpaularena@yahoo.com]  
**Sent:** Thursday, January 28, 2010 7:43 PM  
**To:** EDH Testimony  
**Subject:** Testimony on SB2436

To: Committee on Education and Housing, Senator Norman Sakamoto Chair  
Committee on Human Services, Senator Suzanne Chun Oakland, Chair  
Committee on Commerce and Consumer Protection, Senator Rosalyn Baker, Chair

Date: Monday, February 1, 2010, State Capitol Conference Room 225

Re: SB2436 Relating to Education

Chair Sakamoto, Chair Chun Oakland, Chair Baker and Committee Members: My name is Marv Paularena and I am a resident of Hale Mahaolu in Kahului, Maui with my spouse. I am submitting testimony in opposition of SB 2436 Relating to Education.

I know that education is very important and shortfalls must be addressed but the Emergency and Budget Reserve (Rainy Day) Fund is not the appropriate fund from which to address education.

- Education's fiscal needs are so great that the remedy is likely to decimate the Rainy Day Fund without solving the problem.
- The failure to resolve issues of collective bargaining brought about by should not provide a tool to raid other very much needed services.
- There are other pressing community needs, especially those related to health, safety and public welfare needs, that the Rainy Day Fund was intended to support.
- I want to see a significant part of the Rainy Day Fund used to support home and community based services for seniors through the Kupuna Care Program.
- I see too many cases where seniors, due to no fault of their own, are forced to rely on services funded by the State in order to barely exist. I have a neighbor who cannot keep his home clean and livable without assistance but who doesn't have the funds needed to purchase those services on his own. I have another neighbor who is totally disabled. Without Kupuna Services he could not survive. I can speak of these things with passion because I am wheelchair bound. Without my wife beside me I would be in the same boat. Taking away from the vulnerable kupuna will surely tell our young people that once they age the state will consider that they too are unimportant in their declining years.

In summary, the Rainy Day fund was not designed for and is too small to be more than a temporary fix for education. The Rainy Day fund must be preserved because it is needed to protect critical health and human service programs for Hawaii's most vulnerable citizens. That includes Kupuna Care, which provides home and community based services for our home bound, frail elder citizens.

Thank you for your consideration,  
Marv Paularena

Most Honorable Members of the Senate:

I oppose SB 2436 as written.

The Rainy Day fund is not big enough to fix the Education Budget and it was not designed to do so. This special fund was created in part to protect critical health and human service programs--such as Kupuna Care.

Year after year the elder population and their needs have increased. Our State leaders have not made adequate plans to address the current needs and the massive needs of the future—Boomer Generation. The funding from the Rainy Day fund to help seniors through Kupuna Care this year and every year is critical.

When the very basic needs of meals, bathing, and case management are dropped, the result can be irreversible. Furlough days for seniors can lead to death.

The Rainy Day fund must be preserved and used for human service needs. I speak as a concerned constituent and I speak for the frail, homebound citizens who cannot be here today to fight for their survival.

Respectfully submitted,  
Christine Olah

To: Committee on Education and Housing, Senator Norman Sakamoto Chair  
Committee on Human Services, Senator Suzanne Chun Oakland, Chair  
Committee on Commerce and Consumer Protection, Senator Rosalyn Baker, Chair

Date: Monday, February 1, 2010, State Capitol Conference Room 225

Re: SB2436 Relating to Education

Chair Sakamoto, Chair Chun Oakland, Chair Baker and Committee Members: My name is Janice M. Deif. I am a resident of Honolulu and am a concerned citizen. I am submitting testimony in opposition of SB 2436 Relating to Education.

I believe that education is important and shortfalls must be addressed. However, the Emergency and Budget Reserve (Rainy Day) Fund is not the appropriate vehicle to address education funding needs for three reasons.

- First, Education's fiscal needs are so great that the remedy is likely to decimate the Rainy Day Fund.
- There are other pressing community needs, especially those related to health, safety and welfare needs, that the Rainy Day Fund was intended to support.
- I want to see part of the Rainy Day Fund used to support home and community based services for seniors. Surely caregivers need as much help and support as possible. This is evident to me from personal observations of caregiving to seniors in my residential neighborhood who rely so much on a home companion, bathing, and transportation services.

The Rainy Day fund was not designed for and is too small to be more than a temporary fix for education. The Rainy Day fund must be preserved because it is needed to protect critical health and human service programs for our most vulnerable citizens. That includes Kupuna Care, which provides home and community based services for home bound, frail elderly people.

To: Committee on Education and Housing, Senator Norman Sakamoto Chair  
Committee on Human Services, Senator Suzanne Chun Oakland, Chair  
Committee on Commerce and Consumer Protection, Senator Rosalyn Baker, Chair

Date: Monday, February 1, 2010, State Capitol Conference Room 225

Re: SB2436 Relating to Education

Chair Sakamoto, Chair Chun Oakland, Chair Baker and Committee Members: My name is Steve Tam and I am a resident of Hawaii Kai and a caregiver for my father in Aina Haina and father-in-law in Hawaii Kai. I am submitting testimony in opposition of SB 2436 Relating to Education.

As a parent with two children, I appreciate the importance of education and the need to address the furlough situation. However, funds for the restoration of instructional days should NOT be from the Emergency and Budget Reserve (Rainy Day) Fund for the following reasons.

1. Education is a critical program that needs its own sustainable line of funding. Utilizing the Rainy Day Fund is a temporary “band-aid” fix. Without a “permanent fix” the State will need to again address this issue for the 2011-2012 school year.
2. Education funding needs are so large that ultimately appropriations from the Rainy Day Fund will deplete the Fund.
3. The Rainy Day Fund was also intended to support very critical and urgent health, safety, and welfare needs of the community.

I urge that a part of the Rainy Day Fund be used to support home and community based services for the senior population. We need to address care for seniors now, as the cost of caring for seniors is getting more severe each day. In 20 years, the number of people over 60 years old will increase by 50%, when 1 of 4 will be over 60 years old. Many of these seniors are part of the unlucky “gap” group that does not have enough monies to pay for the assistance to meet daily needs, yet have enough money and thus cannot qualify for Medicare for this help.

I have a personal interest in this matter, being a caregiver for my father who has Alzheimer’s, and my father-in-law who had a stroke. I left my full-time job in part to care for my parents and in-laws. However, I need to return to work to pay for my children’s college education. I have found that there are many families in similar situations. I understand that there are approximately 169,000 caregivers in Hawaii. A staggering 1 in 4 people, over the age of 18, provide caregiver services. Every day, family caregivers help their parents, at no cost to the State, with baths, hot meals, toileting assistance, transportation, and all other household chores that their parent are no longer able to perform. However, caregivers cannot do it alone, and will burn out if they cannot get help a few times a week with meals, baths, and chores for parents, and time to take care of themselves and their children.

In summary, the furlough situation needs to be addressed. However, the Rainy Day Fund was not intended to fund collective bargaining, and in any event is too small to be more than a short-term “band-aid” fix for our education budget problems. The Rainy Day Fund is needed for critical and pressing health and human service programs (such as Kupuna Care) for our senior population. It’s the right thing to do for our seniors, who have sacrificed all their lives for us and our children, and now need our love and support.

Sincerely,  
Steve Tam

To: Committee on Education and Housing, Senator Norman Sakamoto Chair  
Committee on Human Services, Senator Suzanne Chun Oakland, Chair  
Committee on Commerce and Consumer Protection, Senator Rosalyn Baker, Chair

Date: Monday, February 1, 2010, State Capitol Conference Room 225

Re: SB2436 Relating to Education

Chair Sakamoto, Chair Chun Oakland, Chair Baker and Committee Members: My name is Kathryn Okazaki and I am a resident of Aiea-Halawa Hts and a family caregiver. I am submitting testimony in opposition of SB 2436 Relating to Education.

I believe that Education is extremely important and there is a need to balance the budget and address the deficit. However, I also very strongly believe that the Emergency and Budget Reserve (Rainy Day) Fund and the Hawaii Hurricane Relief Fund are not the appropriate source of funds to fund these programs.

- The amount in the Rainy Day Fund is not sufficient to resolve the Education deficit issues on a long term basis. Transferring funds to balance the budget for fiscal year 2009-2010 is just the tip of the iceberg. It's only a short term solution and does not address any long-term change to remedy the need for additional funds for future fiscal years nor does it address replenishing the fund for future needs.
- The Hurricane fund should not be touched. It was set up for another reason and needs to be available when the need arises.
- Money used from these funds should not be used as a short term fix where the problem still remains after the funds are depleted.
- There are other pressing community needs; especially those related to health, safety and welfare needs as the number of seniors in Hawaii continue to escalate as more baby boomers become seniors and as seniors live longer.
- I want to see part of the Rainy Day Fund used to support home and community based services for seniors. Not short term fixes but investment in long term solutions that support this large growing age group is needed.

I urge you to support health safety and welfare needs of our seniors. We need a safety net in place to keep our families from becoming impoverished because of the cost of long term care. Kupuna Care services is an excellent example of that safety net. I am a caregiver of my parents who are seniors in their 90's. Families like mine don't qualify for Medicaid but are in need of affordable services. I was forced to retire early to take care of my parents but there are many caregivers who cannot do what I have done. I have many friends that struggle to work and care for their parents. Please consider using the Rainy Day Fund to support investment in long term solutions to support the growing number of seniors. We need to act now to avoid in later years the need for immediate short term fixes.

Kathryn Okazaki  
99-515 Kaholi Pl  
Aiea, HI 96701  
(808) 486-5960  
January 28, 2010



To: Committee on Education and Housing, Senator Norman Sakamoto Chair  
Committee on Human Services, Senator Suzanne Chun Oakland, Chair  
Committee on Commerce and Consumer Protection, Senator Rosalyn Baker, Chair

Date: Monday, February 1, 2010, State Capitol conference Room 225

Re: SB2436 Relating to Education

Chair Sakamoto, Chair Chun Oakland, Chair Baker and Committee Members: My name is Leona Pereza and I am a resident of Kailua, Oahu and a former family caregiver for four of my family members. I am submitting testimony in opposition of SB 2436 Relating to Education.

I know firsthand what an enormous responsibility it is to be a caregiver and even greater if some vital resources in the community are to be threatened by budget cuts. With that being said, education is equally important to training our children to be future leaders of a sustainable community in Hawaii. But let that not be a reason to take from one pocket to fill the other. Our kupuna deserve to be cared for in the best possible way during their remaining years, after all they are the ones who worked hard to build this fine State that we now enjoy.

Adding to this sentiment are three very good reasons for not taking from the Rainy Day Fund.

- This would be a “band-aid fix” for a system that has been hemorrhaging our tax dollars far too long without accountability and with poor scholastic outcomes. It is a system that is past due for a complete overhaul and public audit to repair the weep holes rather than throwing more money at a broken educational system.
- There are other immediate needs related to health safety, welfare needs, and child healthcare needs, that the Rainy Day Fund was intended to support.
- I strongly advocate for the Rainy Day Funds to be used to support home and community services for our seniors. On a personal level, if my husband and I were not able to care for my mother, father and two siblings in our home before their deaths I know for certain their lives would have been cut even shorter. My heart would have been broken beyond repair to see them die alone at home because of the unaffordable cost of long term care and no resources to assist us in facing the end with dignity and worth. Yet, the work of a caregiver is long, hard, and unbelievably sad. I urge you all not to take away or even jeopardize what help is there through Kupuna Care. Help us preserve the Rainy Day Fund for its intended use. Our peace of mind depends on it.

Sincerely,

Leona P. Pereza

**sakamoto2 - Erin**

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**From:** Kirkpatrick Malcolm [malcolmkirkpatrick@yahoo.com]  
**Sent:** Sunday, January 31, 2010 1:00 AM  
**To:** EDH Testimony

To: Senate and House Education and Finance Committees  
Wrom: XXIMQZUIVOTQNQEMSFD  
In re: SB 2436  
2010-01-31

Testimony against SB 2436  
Education Committee  
Hearing date 2010-02-02 (Monday, 2-Feb.-2010)

Please

DO NOT support SB 2436. According to Chapter 431: "(h) Moneys in the hurricane reserve trust fund or in trust or custodial accounts, created for the benefit of the fund's secured parties, shall be expended by the Hawaii hurricane relief fund or its authorized designee and used solely for the purposes of this chapter."

The legislature would now violate

this provision because of the inability of the Hawaii DOE, public-sector organizations, and this legislature to prioritize expenses.

The Legislature placed the Hurricane Relief Fund off limits to raids by public sector workers for good reason. Whether taxpayers will benefit from an exception to this policy depends on two factors:

- 1) the cause of the current budget deficit and
- 2) the use which the administration will make of the funds deducted from the Hurricane Relief Fund.

1)

If normal business cycles produced the current downturn in tax receipts, we may expect that receipts will recover and temporary resort to special funds will do no harm. If, however, a parasitic public sector has weakened commercial activity, subsidizing and enhancing that parasitism will make the problem worse. 2) The failure of the DOE and this legislature to limit demands on taxpayers has generated a bureaucracy which, in the 2006-2007 fiscal year, reported.

The

current decline in commercial activity, tax revenues, and State outlays reflects the inability of government decision-makers at all levels to resist increasing demands by recipients of the tax-generated revenue stream. Andre Marou suggested this etymology for the word "politics":

"poly" from the Greek for "many" and "ticks" which are blood-sucking insects.

SB 2436 states: "...the legislature finds that providing a quality education for Hawaii's students is an overriding state priority with far-reaching effects on the prosperity, health, and growth of local communities and that ensuring adequate resources for education reflects a commitment and investment toward that priority."

How much money is enough?

Current dollars..... Inflation-adjusted (2007)

2007.....

Total revenues of a= \$2,985,593,000

Total expenditures of b=\$2,199,604,000

Current expenditures of c=\$2,061,560,000 Enrollment of d=180,728.

By comparison, the 1996-1997 figures are as follows:

Current dollars

1996.....Inflation adjusted (2007) Total revenues of  
 e=\$1,213,729,000.....\$1,562,471,513  
 Total expenditures of f=\$1,241,375,000.....\$1,598,061,078  
 Current expenditures of g=\$1,117,671,000.....\$1,438,813,028  
 Enrollment of h=187,653

The Hawaii Department of Education supplies data to the US Census Bureau. See "Public School Finance Data"  
<http://www.census.gov/govs/school/> and the inflation calculator <http://www.westegg.com/inflation/>

Per pupil  
 Current dollars  
 2007.....Inflation-adjusted (2007) a/d=\$16,520  
 b/d=\$12,151  
 c/d=\$11,407

Per pupil  
 Current dollars  
 1997.....Inflation adjusted (2007)  
 e/h=\$6,468.....\$8,326  
 f/h=\$6,615.....\$8,516  
 g/h=\$5956.....\$7,667

The  
 Hawaii DOE spends more, per pupil, than the US average, and more than any other country. Taxpayers get very little for this money and nothing for the increase between 1997 and 2007.

The legislature should  
 look to reduce costs before it raises taxes or raids special funds. The legislature could reduce the cost to taxpayers of the Hawaii DOE by modifying compulsory attendance statutes. Albert Einstein opposed compulsory attendance at school. Gandhi opposed compulsory attendance at school. Thomas Edison was homeschooled. Cyrus McCormick was homeschooled. Bertrand Russell was homeschooled. The great violinist Yehudi Menuhin was homeschooled. The first woman to receive an MD degree in the US, Mary Putnam Jacobi, was homeschooled until medical school. It does not take 12 years at \$11,000 or even \$7,000 per pupil-year to teach a normal child to read and compute. Hiram Maxim left school at 13 and apprenticed. Benjamin Franklin was homeschooled to age 12, attended school for two years, then apprenticed. The Wright brothers were high school dropouts. Neither George Washington, James Madison, or Thomas Jefferson ever attended a government-operated school.

The Hawaii DOE imposes costs beyond its \$2.5 billion+ budget. Juvenile arrests fall when school is not in session. Juvenile hospitalizations for human-induced trauma fall when school is not in session.

Clive Harber,  
 "Schooling as Violence"  
 Educational Review p. 10, V. 54, #1.  
 "...It

is almost certainly more damaging for children to be in school than to out of it. Children whose days are spent herding animals rather than sitting in a classroom at least develop skills of problem solving and independence while the supposedly luckier ones in school are stunted in their mental, physical, and emotional development by being rendered passive, and by having to spend hours each day in a crowded classroom under the control of an adult who punishes them for any normal level of activity such as moving or speaking."

Clive Harber  
 "Schooling as Violence"  
 Educational Review, p. 9 V. 54, #1.  
 "Furthermore,

according to a report for UNESCO, cited in Esteve (2000), the increasing level of pupil-teacher and pupil-pupil violence in classrooms is directly connected with compulsory schooling. The report argues that institutional violence against pupils who are obliged to

attend daily at an educational centre until 16 or 18 years of age increases the frustration of these students to a level where they externalise it."

Roland Meighan

"Home-based Education Effectiveness Research and Some of its Implications"

Educational Review, Vol. 47, No.3, 1995.

"The issue of social skills. One edition of Home School Researcher, Volume 8, Number 3, contains two research reports on the issue of social skills. The first finding of the study by Larry Shyers (1992) was that home-schooled students received significantly lower problem behavior scores than schooled children. His next finding was that home-schooled children are socially well adjusted, but schooled children are not so well adjusted. Shyers concludes that we are asking the wrong question when we ask about the social adjustment of home-schooled children. The real question is why is the social adjustment of schooled children of such poor quality? The second study, by Thomas Smedley (1992), used different test instruments but comes to the same conclusion, that home-educated children are more mature and better socialized than those attending school." ...p. 277 "So-called 'school phobia' is actually more likely to be a sign of mental health, whereas school dependency is a largely unrecognized mental health problem"....p.281

Please do not support this bill.

Thank you for this opportunity to testify.

Eileen Mena  
73-1335 Nawahie Loop  
Kailua Kona, HI 96740

To: Committee on Education and Housing, Senator Norman Sakamoto Chair  
Committee on Human Services, Senator Suzanne Chun Oakland, Chair  
Committee on Commerce and Consumer Protection, Senator Rosalyn Baker, Chair

Date: Monday, February 1, 2010, State Capitol Conference Room 225

Re: SB2436 Relating to Education

Chair Sakamoto, Chair Chun Oakland, Chair Baker and Committee Members:

My name is Eileen Mena and I am a resident of Kailua Kona. As a former family caregiver I wish to state that I oppose SB 2436 Relating to Education.

The Rainy Day fund is needed for the health and human service programs to be used to preserve Kupuna Care program. Home and community based services like Meals on Wheels, transportation, bathing, dressing, and help with chores for the frail elderly people in Hawaii are in more demand than ever. The elderly population is growing and is in need of these services.

I was a caregiver in California for my husband and my mother. For my mother Meals on Wheels and transportation to medical appointments was a great help as I worked and was not always able to get her to medical appointments or to make her lunch. With my husband I was able to take care of him with the help of my daughter and son. Without their help I would have needed to use the human service programs.

Education of our children is important but the Rainy Day emergency fund is also important. Raiding this fund will not fix our State's financial problem. It will be a temporary fix and in the long run the children and the elderly will both lose. I am sure there are other sources of funding that can be used.

**sakamoto2 - Erin**

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**From:** Dara Carlin, M.A. [breaking-the-silence@hotmail.com]  
**Sent:** Sunday, January 31, 2010 6:21 PM  
**To:** EDH Testimony  
**Subject:** SB2436 to be heard Monday, 02/01/10 at 1:15pm in Room 225

TO: Senator Norm Sakamoto, Chair  
Senator Michelle Kidani, Vice Chair  
Members of the Committee on Education & Housing

Senator Suzanne Chun-Oakland, Chair  
Senator Les Ihara, Vice Chair  
Members of the Committee on Human Services

Senator Roz Baker, Chair  
Senator David Ige, Vice Chair  
Members of the Committee on Commerce & Consumer Protection

FROM: Dara Carlin, M.A.  
Domestic Violence Survivor Advocate  
881 Akiu Place  
Kailua, HI 96734

DATE: Monday, February 1, 2010

RE: Strong Support for SB2436, Relating To Education

Please do all you possibly can to restore as many school days to the children as you can. The Hurricane Relief Fund can be rebuilt, the lives of our children cannot and for them, school is their life.

Thank you for this opportunity to provide testimony.

Respectfully,

**Dara Carlin, M.A.**  
Domestic Violence Survivor Advocate

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To: Committee on Education and Housing, Senator Norman Sakamoto Chair  
Committee on Human Services, Senator Suzanne Chun Oakland, Chair  
Committee on Commerce and Consumer Protection, Senator Rosalyn Baker, Chair

Date: Monday, February 1, 2010, State Capitol Conference Room 225

Subject: Testimony on SB2436 Relating to Education and SB2437 Relating to the Funding of the State Programs

Chairs Sakamoto, Chun Oakland, Baker and Committee Members: My name is Esther Ueda and I am a resident of Pearl City, Honolulu and a part-time caregiver. I am submitting testimony in opposition of SB 2436 Relating to Education and SB2437 Relating to the Funding of the State Programs.

Although I believe that education is important and the current situation with so many furlough days and reduced classroom days for our children must be addressed, I do not believe that using the Emergency and Budget Reserve (Rainy Day) Fund is the appropriate way to address this problem.

The Department of Education's fiscal needs are so great that the remedy is likely to decimate the Rainy Day Fund.

In this current economic situation, there are so many other pressing community needs, especially those related to health, safety and welfare needs, that the Rainy Day Fund was intended to and can help support.

I would like to see part of the Rainy Day Fund used to support home and community based services for seniors. As a volunteer for Meals on Wheels and Project Dana, I know how important these Senior services are to help our Seniors remain independent in their own homes for as long as possible.

➤

In summary, I feel that the Rainy Day fund would not be best used as a temporary fix for education and a longer term solution must be found.

Thank you for the opportunity to provide this testimony.