

**Date:** 02/28/2012

**Committee:** House Finance

**Department:** Education

**Person Testifying:** Kathryn S. Matayoshi, Superintendent of Education

**Title of Bill:** HB 2305 (hscr183-12) RELATING TO EDUCATION

**Purpose of Bill:** Establishes the Hawaii public schools science and technology trust fund to support the teaching and learning of science and technology in Hawaii's public schools. Authorizes income tax return designations to the trust fund.

**Department's Position:**

The Department of Education (Department) is in full support of HB 2305 (hscr183-12). This bill will enhance the teaching and learning of science and technology in public schools through the awarding of grants for equipment, tools, programs and activities. The Department is poised to serve as the lead agency for the public sector and work with the Public Schools of Hawaii Foundation.

WRITTEN ONLY

TESTIMONY BY KALBERT K. YOUNG  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON FINANCE  
ON  
HOUSE BILL NO. 2305

February 28, 2012

RELATING TO EDUCATION

House Bill No. 2305 establishes the Hawaii Public Schools Science and Technology Trust Fund under the Public Schools of Hawaii Foundation, to promote teaching and learning of science and technology in public schools. The proposed trust fund would be supported by State, county and federal funds, income tax designations, and private contributions.

As a matter of general policy, the department does not support the creation of any trust fund which does not meet the definition of a trust fund as defined by Section 37-62 of the Hawaii Revised Statutes, and does not demonstrate the capacity to be financially self-sustaining. In regards to House Bill No. 2305, it is difficult to determine whether the Hawaii Public Schools Science and Technology Trust Fund meets the definition of a trust fund and will be self-sustaining.

# TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

**SUBJECT:** INCOME, Tax checkoff for the Hawaii public schools science and technology trust fund

**BILL NUMBER:** SB 2482; HB 2305 (Identical)

**INTRODUCED BY:** SB by Kidani, Chun Oakland, Taniguchi and 6 Democrats; HB by Belatti, C. Lee, Nishimoto, Wooley

**BRIEF SUMMARY:** Amends HRS 235-102.5 to allow individual taxpayers whose state income tax refund for any taxable year is \$5 or more, to designate up to \$5 to be deposited into the Hawaii public schools science and technology trust fund. For joint taxpayers with an income tax refund of \$10 or more, each spouse may designate \$5 into the fund.

Directs the director of taxation to revise the state income tax forms as necessary. Allows designations to be made by filing an amended income tax return if filed within 20 months and 10 days after the due date of the original return.

Adds a new section to HRS chapter 302A to establish a Hawaii public schools science and technology trust fund as a separate fund of the Public Schools of Hawaii Foundation. The purpose of the fund is to enhance the teaching and learning of science and technology in public schools primarily through the award of grants for equipment, tools, programs, and activities.

**EFFECTIVE DATE:** Tax years beginning after December 31, 2011

**STAFF COMMENTS:** This measure adds the Hawaii public schools science and technology trust fund to the growing list of programs for which taxpayers due an income tax refund may designate all or a portion of that refund.

A survey by the Federation of Tax Administrators found that the states that utilize checkoff programs have been experiencing a decline in the amount of moneys designated though the checkoff mechanism. The survey also found that due to the administrative costs associated with the checkoff programs, states which currently have the checkoffs are looking to adopt expiration clauses and other means to remove the less productive checkoffs. Lawmakers seem to view such checkoffs as absolution of their responsibility to deal with such problems by turning the response directly over to the taxpayer. However, in the long run, the cost of administering the checkoff merely siphons resources that should otherwise be used for providing needed public services.

If lawmakers believe that earmarking funds through a checkoff system is appropriate, then they might consider placing all programs on the state income tax form for designation and consider repealing the legislative body as there will be no reason for the legislature to exist because decisions will have been made by the income taxpayer.

If lawmakers believe certain programs are of great importance, then they can prioritize those programs through the appropriations process. With the Hawaii tax burden already so heavy, why should taxpayers turn any more of their hard earned dollars over to government? What lawmakers also do not recognize is that by creating these checkoffs, they add to the cost of administering the law, a cost which steals funds from other programs like those enumerated for a checkoff designation.

Finally, it is a sad commentary on the legislature's lack of ability to do their job of setting priorities for the limited taxpayer dollars they are given that they have to resort to asking taxpayers for an additional contribution to the science and technology programs of the public schools. Conversely, one should ask why lawmakers - if they believe this curriculum is so important - do not adequately fund it. Do they believe that this particular course of study is not deserving of funding?

Digested 1/27/12

I seldom make New Year's Resolutions, but I feel compelled to this year as never before. Never before has our great Nation strayed so far from the founding principles that led to putting a man on the moon, and our progress in improving health and quality of life, and offering the option of democracy. This greatness is evidenced by the overwhelming number of Nobel Prize winners, unrivaled discoveries in all fields of science and human endeavor. The currency and the very blood of this greatness are knowledge and skill in science, engineering, technology and mathematics (STEM).

We have become captured by our own success. We have become complacent and predictable. We have not only lost the great inventor Steve Jobs, but we have also lost his last words of advice: "Stay hungry, Stay foolish".

We in Hawaii believe this condition is not terminal and the solution lies with our youth with their near limitless curiosity, capacity and power. A visit to the Hawaii Academy of Sciences' Annual Exhibition of Science and Engineering by the State's students always serves to rejuvenate and inspire after another confrontation by bad news of how our society seems to have lost its way. It is in our children and the youth of today that we can again regain our greatness. Based on my 35 years as a professor of science at the University of Hawaii at Manoa and participation in technical assistance projects with the US Agency in International Development, United Nations projects, and foundations such as Ford, McArthur, and the Darwin Foundation in the Galapagos as well as in Brazil, Costa Rica, Ecuador, Bolivia, Columbia, Italy, China, Thailand and the Philippines, India, and both West and Southern Africa, it is my firm conclusion that we can regain this greatness. The learning of science, technology, engineering, and, yes, mathematics is the fuel that can energize and inspire this rebirth.

Fareed Zakaria puts the desperate situation in perspective with his "take" on December 11, 2011, that our poor economy is a result of an unprecedented loss of human capital. An example of this loss of human capital is the fact that the number of science and engineering degrees has decreased by 11% from 1989 to 2000, according to the most recent data. He asks "Are we going to let this condition to continue to spiral out of control?" Another observation is that the current unemployment figures for graduates with degrees in science and engineering is about 4.6%, well below the national average of 8.5%. One wonders what the true unemployment rate would be if we had as many graduates equipped with science and engineering degrees as necessary.

One option is to increase the investment in our youth by providing them with the fundamentals to create, construct and succeed. The American Statistical Association – Hawaii Chapter proposes that the option of a check-off of \$5 per each state income tax be made available to our citizens towards improved learning of science and mathematics in our public primary and secondary schools.

**H.B. 2305 RELATING TO EDUCATION** has been prepared to help begin the long journey to restore our greatness.

Please join the ASA-HI in this effort so we can control this spiral and lay the foundation for resuming greatness, our future, and our youth.

Mahalo.

Russell Yost, [rsyost@hawaii.edu](mailto:rsyost@hawaii.edu), 808-956-7066

A New Year's Resolution

January 28, 2012

I seldom make New Year's Resolutions, but I feel compelled to this year as never before. Never before has our great Nation strayed so far from the founding principles that led to putting a man on the moon, and our progress in improving health and quality of life, and offering the option of democracy. This greatness is evidenced by the overwhelming number of Nobel Prize winners, unrivaled discoveries in all fields of science and human endeavor. The currency and the very blood of this greatness are knowledge and skill in science, engineering, technology and mathematics (STEM).

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Please join the ASA-HI in this effort so we can control this spiral and lay the foundation for resuming greatness, our future, and our youth.

Mahalo.

Russell Yost, [rsyost@hawaii.edu](mailto:rsyost@hawaii.edu), 808-956-7066

## **FINTestimony**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, February 26, 2012 10:18 PM  
**To:** FINTestimony  
**Cc:** AmStatAssocHI@gmail.com  
**Subject:** Testimony for HB2305 on 2/28/2012 12:00:00 PM

Testimony for FIN 2/28/2012 12:00:00 PM HB2305

Conference room: 308  
Testifier position: Support  
Testifier will be present: Yes  
Submitted by: Elaine Lee  
Organization: American Statistical Association-Hawaii Chapter  
E-mail: [AmStatAssocHI@gmail.com](mailto:AmStatAssocHI@gmail.com)  
Submitted on: 2/26/2012

**Comments:**

This testimony is submitted in support of H.B. 2305.

The intent and purpose of this bill is in alignment with the State's goals to diversify its economy. These goals are, among others, to support the development and growth of STEM professionals locally and to draw professional job opportunities to Hawaii.

Studies show that early student interest in STEM, the number of science courses completed in high school, and positive self-ability ratings in STEM are significantly associated with the completion of a STEM degree. Research indicates that students who plan early on to have a career in STEM fields are three times more likely to earn a degree in STEM.

H.B. 2305 will help to build a workforce with STEM knowledge and skills and to enhance professional job opportunities in Hawaii. This bill will provide the seed money to fund equipment, programs, and activities that will help public school teachers to engage their students and to steer them to pursue higher education and study in STEM fields.

We respectfully ask for your support of this bill.

American Statistical Association - Hawaii Chapter

[AmStatAssocHI@gmail.com](mailto:AmStatAssocHI@gmail.com)

<http://community.amstat.org/HawaiiChapter/Announcements/>

## **FINTestimony**

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**From:** mailinglist@capitol.hawaii.gov  
**sent:** Monday, February 27, 2012 5:40 PM  
**To:** FINTestimony  
**Cc:** coxs@hawaii.edu  
**Subject:** Testimony for HB2305 on 2/28/2012 12:00:00 PM

Testimony for FIN 2/28/2012 12:00:00 PM HB2305

Conference room: 308  
Testifier position: Support  
Testifier will be present: No  
Submitted by: Sharon P Cox  
Organization: Individual  
E-mail: [coxs@hawaii.edu](mailto:coxs@hawaii.edu)  
Submitted on: 2/27/2012

**Comments:**

I strongly support this bill to establish a check the box fund for the purpose of establishing a trust fund to facilitate initiatives that promote the learning and teaching of science and technology in the public schools and offer the general public an opportunity to partner in these efforts.

Science and technology education is crucial to the diversification of Hawaii's economy. The simple check-the-box contribution opportunity highlights the importance and need for this education.

Respectfully,  
Sharon P. Cox, PhD, CPA  
Assistant Professor - Accounting and Tax UHWO



## FINTestimony

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.n: mailinglist@capitol.hawaii.gov  
Sent: Sunday, February 26, 2012 10:39 PM  
To: FINTestimony  
Cc: kgleong@gmail.com  
Subject: Testimony for HB2305 on 2/28/2012 12:00:00 PM

Testimony for FIN 2/28/2012 12:00:00 PM HB2305

Conference room: 308  
ifier position: Support  
ifier will be present: No  
Submitted by: Kevin Leong  
Organization: Individual  
E-mail: [kgleong@gmail.com](mailto:kgleong@gmail.com)  
Submitted on: 2/26/2012

Comments:  
HB 2305  
February 28, 2012

My name is Kevin Leong and I am a software engineer at Zappos.com. I recently graduated (Fall 2011) from the University of Hawaii with a degree in Computer Science, and interned this past summer at Amazon.com as a Software Development Engineer. I have also interned at Ikayzo, Inc, a highly respected local software development company.

While I was enrolled in the University of Hawaii, I also owned and operated my own IT company, Digital Owls, which offered Software Development and computer consultation and repair.

I started out learning computers on my own, and it was tough going. Especially in the beginning. Like anything else, however, it gradually became easier and easier. I did get a late start though. Had I been exposed to programming and software development in my younger years, I think that a lot of the hardship that I went through in the beginning years may have been lessened. This is not to minimize the importance of self-motivation and being able to get through tough times, but sometimes, it never hurts to get a little help early.

The earlier the public school system is able to touch students and show them what the world of technology has to offer them, the better prepared they will be to decide if technology is a path they want to explore. If such a fund is able to cultivate this curiosity, even better.

I for one, highly support this initiative.

Sincerely,

// Signed //

Kevin Leong

Software Engineer, Zappos.com, Inc.