

LATE

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS
ON
HOUSE BILL NO. 1368

February 5, 2013

RELATING TO EDUCATION

House Bill No. 1368 increases the General Excise Tax (GET) and Use Tax for certain specified services and commodities by 1% and directs the realizations of 20% of such taxes to the Department of Education (DOE) for the operations of the DOE under State law. These revenues would be provided in addition to appropriations made for DOE.

The Department of Budget and Finance (B&F) defers to the Department of Taxation in regard to the 1% increase to the GET and Use Tax but strongly opposes the intent to set aside GET and Use Tax revenues into a special account within the general fund for the DOE. As a matter of general policy, B&F does not support the creation of any special account within the general fund for specific purposes.

Based on the Council on Revenues' current general fund tax revenue projection, GET and Use Tax revenues for FY 15 (the first full fiscal year of implementation of proposed changes) are expected to be \$3.3 billion. Roughly estimated, a 1% increase would amount to \$823 million, which would be earmarked for the DOE. The Governor's FB 2013-15 Biennium Budget provides \$1.4 billion in general funds for DOE for FY 15, which could result in over \$2.2 billion, approximately 38% of the State's total general funds, for DOE. (Differences due to rounding.) However, we could not, for example, provide for the general funded

operations of the Departments of Health and Public Safety, as well as, the community hospitals, for which a total of \$732 million has been requested in FY 15.

It is unclear how the earmarked funds would be expended - with or without appropriation. We would be opposed if these funds were available for expenditure by DOE without appropriation. If the funds are appropriated, they would not be available to expend until the next fiscal year, at the earliest, because we would not know the amount until the fiscal year is over.

While we continue to recognize the importance of education, educational needs must be weighed against the priorities of the State as a whole through the budget process. As such, we would not support earmarking GET and Use Tax revenues for DOE, as we believe that general fund requirements should be reviewed on a statewide basis based on priorities and available resources.

From: Daniel Pecoraro [danny.pecoraro@gmail.com]
Sent: Monday, February 04, 2013 2:10 PM
To: edbtestimony; EDNtestimony; FINTestimony
Subject: Testimony for HB 1368- 2/5/13- 9A.M

Categories: LATE TESTIMONY

My name is Daniel Pecoraro, and I would like to submit my testimony to the committee on why HB 1368 should be approved.

I am a public school teacher at James Campbell High School in Ewa Beach, HI and I received my Masters degree in Education from Hawaii Pacific University. I have been teaching English for six years, and unfortunately, due to the lack of compensation, I have to consider leaving the profession, or Hawaii.

Hawaii teachers need to be compensated according to the cost of living. It is very expensive to live in Hawaii, so comparing teacher salaries to other states is not fair. After factoring in cost of living, Hawaii teachers are the lowest paid in the U.S.A.

Because I have been teaching in Hawaii for the last six years, I have seen the issues public schools face. The most important being high turnover rates. Young teachers, like myself cannot afford to teach in Hawaii, which hurts students. Having effective teachers is one of the most important factor in a student's education.

If Hawaii cannot pay quality teachers to stay, the education students receive will decline. This is why it is so crucial HB1368 be approved.

Daniel Pecoraro, M.Ed
James Campbell H.S

LATE

February 4, 2013

To: Representative Clift Tsuji, Chairperson
Representative Gene Ward Vice Chairperson
And Members of the House Committee on Economic Development and Business

From: Tristin Markham, Kalaheo High School grade 11

Subject: Support of House Bill 1368, Relating to Education.

Aloha! My name is Tristin Markham and I am currently a junior at Kalaheo High School, I strongly support House Bill 1368 to increase excise tax by one percent to be used towards the education.

Hawaii teachers have one of the lowest salaries in the country. Because of this we have teachers from our school who have left Kalaheo and moved out of state for better paying teaching jobs. This bill can provide the needed funds to make teacher salaries more competitive with other states.

Our governor's vision for Hawaii schools is for students to have one to one contact with technology. The Department of Education's goal is to provide each student with a computer or tablet for instructional learning. The funding from this tax increase can be used in help to achieve this vision and goal.

Thank you for your time and consideration. I truly hope that you will pass House Bill 1368.

LATE

From: Curtis H. Matsushige
3009 Ala Makahala Place unit 711 (Salt Lake, Oahu)
Honolulu, Hawaii 86818

To: HOUSE COMMITTEE ON HB 1368, House of Representative, Linda Ichiyama, my representative, Chairman Takumi, Vice Chair Ohno, honorable representatives.

I regret not being present, but request you take my testimony into consideration, and in support of HB 1368, nicknamed "a penny for education."

To paraphrase a line from Charles Dickens, tempered by a lyricist...

"If you haven't got a penny, a hey' penny will do,
If you haven't got a hey' penny, then god bless you."

Since you are reading this, I spelled "hey' penny," or part of a penny, phonetically. What teachers like myself are seeking, is a reliable source of funding for education, so as not put the future of education in jeopardy.

Funding is needed for maintenance of our facilities as demonstrated by the recent roof mishap at Farrington High School. There is a daily need for room in expanding schools such as Campbell High School. Former faculty lounges have become classrooms, and the portables in many school which were once deemed as temporary, are permanent measures that congest movement of students between classes.

Funding is needed for our students who clog our antiquated broad band system with their iPods and mobile devices. There are some systems that do not recognize out "anotesk12.hi.us" as a legitimate email address.

Finally funding is tied to the retention of capable teachers to teach our students.

The Honolulu Star-Advertises recently wrote an article questioning the high absentee rate of teachers in the Islands. I suggested in an editorial which to my knowledge was never published, that there maybe two main reasons.

1. Speaking from experience after 30 years in the school system I know for a fact and have done this myself for many years. As a science teacher for most of my career, I asked permission of the principal and took personal days off on school science fair days. I also used to take days off for the field trips to the science fair and to other educational venues on Oahu. The purpose was to leave a substitute to do a make-up lesson for those not going on the field trip. Thankfully we have worked a system in our school where teachers take there "Free" periods to help judge

the science fair. Today, much of the judging at the district level is done after or out of school. We have also been given one substitute day for the District and State Science Fair by our principal.

In the same manner there are teachers in other subjects such as social studies, who have taken personal leave in support of students. I was also a club advisor for more than 12 years and would volunteer at least 1 Saturday a month or more, to take students on career related field trips by personal vehicle or with the help of parents. I also took a personal day off to take my students to medical fairs and university open houses held on weekdays. Such practices contribute to and may be related to the high absentee rate of teachers.

There is another possible reason which would be the revolving door of teachers entering a leaving the profession.

2. Teaching at Campbell High School for more than 25 years, I've observed that nearly 20% or so of our faculty leaving or moving out of the school complex. So what has this to do with the high absence of teachers? Many of the teachers who are leaving after 1 or 2 years tend to use-up their leave, getting ready for their new career, to prepare for their departure, or visit the neighbor islands to create fond memories of their time in Hawaii.

Over the 10 years that Teach-for-America and similar teachers came to our school, I've personally spoken to 2 or 3 teachers each year who are of this mindset to use-up their sick days. Some teachers who have come into the profession from the private sector to once again return a year later. Finally there are teachers who are finding it difficult to make a living in Hawaii, and thus burn-their-sick leave before leaving.

I ask each of you to support this bill or some measure of it to secure funding for education. I would also like to ask your support for contract which could stall the revolving door of incoming and outgoing teachers. The bill is tied to making-a-living for public servants who are entrusted with Hawaii's future.

The bill is tied to wages and benefits, security and the future of a more sable education through the retention or lower turn-over of teachers. A better salary schedule would make being a teacher more attractive than a bus driver or fumigation inspector. Stability in education is one of the key factors to successful student achievement. Please support HB 1368.. "a penny for education."

Respectfully,

Signed on original

Curtis H. Matsushige

LATE

February 4, 2013

To: Representative Clift Tsuji, Chair
Representative Gene Ward, Vice Chair
Members of the House Committee on Economic Development and Business

From: April Vidad

Subject: Support of House Bill 1368, Relating to Education

Aloha! I am April Vidad, a current junior at Kalaheo High School. I strongly believe in HB1368, and would like to ask for your support.

HB1368 states “many teachers work for annual salaries that, for a family of three, qualify them for public nutrition assistance and yet they continue to supply their classrooms using their own money”. It is for this reason that many teachers work a second or third job to supplement their income. My science teacher has second job in a retail store during the evenings and weekends. Funding generated from the tax increase can be used to raise teacher salaries.

Hawaii’s teachers have one the lowest salaries in the country. Highly educated and well-qualified teachers are leaving the Hawaii to teach in another state. Some teachers even leave the profession for higher paying jobs. Recently a highly effective world language teacher resigned and moved out of state for better paying job opportunities. Our school lost a very good teacher. By providing a higher teacher salary, we can create an incentive for these effective teachers to stay in Hawaii.

In addition, over half of all public schools are fifty years old or older. The aging infrastructure of many Hawaii schools, have become not only insufficient but a danger to the well-being of its students and faculty. Additionally, there is a lack of funding in order to make these critical and necessary repairs, that many requests for improving the infrastructure have been backlogged. . At Kalaheo High School, multiple buildings have foundation problems, most prominently in F-building which is literally falling off the hill it is located on. There are cracks so big in classroom walls that are so big that sunlight shines through them. Funding from SB1368 could be utilized to improve these shortfalls

Thank you for your time and consideration, and I truly hope that you will support Senate Bill 1368.



*In the spirit of 'ohana,
we are all parents
of the children of Hawai'i*

LATE

Parents for Public Schools of Hawai'i
2850 Kahawai Street
Honolulu, HI 96822

Phone: 375-3917

Email: ppshi.org@gmail.com

Committee on Economic Development & Business
Representative Clift Tsuji, Chair
Representative Gene Ward, Vice Chair

February 4, 2013

Dear Chair Tsuji, Vice Chair Ward, and Committee Members:

This testimony is submitted in support of HB1368.

Parents for Public Schools Hawai'i is in support of HB1368, raising the GE tax by one percent for the support of education.

We all know and say that education is the ultimate hope for the future, the answer to economic, environmental, health, and happiness. Enacting this legislation provides a way for Hawai'i to make a concrete step toward making those hopes a reality.

Hawai'i has one of the highest teacher turnover rates in the nation, which is degrading the quality of education for all our children. As advocates for children and families in public education, PPSHI is concerned that we cannot develop excellence when 56% of teachers are gone within 5 years, when we lose excellent teachers for higher-paying jobs, when vacant teaching positions are difficult to fill, and when many positions are filled with emergency hires who do not meet teacher standards. Our keiki deserve better.

Passage of this bill sends a strong message to our teachers that we value their work with our children, and that we as a state will support and honor them. It would be a very healing message after the rough several years of conflict over teacher contracts. Please, let's head in a new direction with a brighter future.

We support a highly qualified teacher workforce for our keiki. With competitive salaries, current vacancies will draw a larger qualified applicant pool. Principals will be better able to retain their high-achieving teachers rather than lose them to more lucrative jobs or other states. Truly improving student achievement demands enough teachers, well-staffed schools, smaller classrooms, and staff with higher morale.

Our keiki deserve the best educational system, which starts with investment in human resources. Parents for Public School Hawai'i supports this measure as an investment in the future.

Sincerely,

Lois A. Yamauchi
President, Parents for Public Schools Hawai'i

Marguerite Butler Higa
Treasurer, Parents for Public Schools Hawai'i

Deborah Bond-Upson
Vice President, Parents for Public Schools Hawai'i

LATE

Sue Haglund
Secretary, Parents for Public Schools Hawai'i

Susan Emley
Policy Advisory Chair, Parents for Public Schools Hawai'i

Parents for Public Schools of Hawai'i (PPSHI) is the Hawai'i chapter of the national organization Parents for Public Schools. We are a non-profit organization that strives to engage parents, students, and community members across Hawai'i in supporting enriched and quality public education through (1) effective communication between families, community, and schools, (2) greater awareness of educational policies and practices, (3) community involvement in education and decision making that promotes school support, improvement, and student achievement, and (4) accurate media representation of public education.

LATE

February 4, 2013

To: Chair Representative Clift Tsuji
Vice Chair Representative Gene Ward
Members of the Economic Development and Business Committee

From: Kawena Kahui

Subject: Support of House Bill 1368

Aloha, my name is Kawena Kahui and I am currently a senior at Kalaheo High School. I support HB1368; a penny for education. I back this bill because I believe by increasing tax by one percent; it will have a dramatic impact for education. We would then have the money to upgrade buildings, afford AC, and have money to pay teachers more.

For example here at Kalaheo High School one of our buildings is eroding from the ground causing the building to stand with a slant, causing a huge safety issue. If we went through with this bill it would help pay for these things.

Increase of financial aid will jump for fifteen percent to thirty percent. That will make a big difference because according to sociologist Dennis Gilbert; twenty five percent of the U.S is lower class. This will give more kids an opportunity to further their education.

I support this bill because the intentions are to better the education of children, which will be our next leaders.

Thank you for your time and consideration, I hope you will support House Bill 1368.

Testimony on HB1368 <http://www.capitol.hawaii.gov/submittestimony.aspx>.

Increases the General Excise Tax and Use Tax for certain, specified services and commodities by one percent. Directs the realizations of twenty percent of such taxes to the Department of Education for the operations of the Department under state law.

February 4, 2012

Chair Takumi, Members of the Committee:

I am in the Educational Psychology program at the University of Hawaii at Manoa and a former Department of Education employee who worked for many years with children enrolled in special education programs. My most important job, however, is that of being parent of a 16 year old daughter who attends Kaiser High School.

I am providing testimony in support of HB 1368 which has been referred to as “a penny for education”.

This bill is important as it aims to fund critical improvements in school facilities and increase staff salaries. Adequate funding for teachers and school staff salaries is essential in recruiting, hiring and retaining quality teachers to provide excellence in education, which is a fundamental value to families with children of all abilities.

From my experiences working in various classrooms with children with special health and education needs I have seen firsthand how essential a dedicated and well qualified teacher is to student’s progress and achievement. The life-span costs of caring and supporting those children with special needs who do not reach independence is enormous in comparison to that of improving the current funding levels for teacher salaries.

As the fortunate parent of a bright, energetic high school student, I support our State using a pro-active approach that invests in quality teachers and learning environments. I believe ensuring the current and future success of our State’s youngest and most impressionable citizens depends on making a commitment to adequate funding of education. The success and achievement of our youth will reflect this commitment.

Thank you for the opportunity to provide my testimony in consideration of this bill.

Respectfully submitted,

Susan Emley

LATE

edbtestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 04, 2013 5:11 PM
To: edbtestimony
Cc: NellwyneYoung@hawaii.rr.com
Subject: Submitted testimony for HB1368 on Feb 5, 2013 09:00AM
Attachments: HB 1368.docx

Categories: LATE TESTIMONY

HB1368

Submitted on: 2/4/2013
Testimony for EDB on Feb 5, 2013 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Nellwyne Young	Individual	Support	No

Comments:

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HB 1368

I am asking for your support to have this Bill go through. As an educator, I would like for the State of Hawaii to be competitive with our mainland counterparts. I often hear from transferring families all the horror stories that they hear from friends about the education system in Hawaii. I for one am fortunate to be working at a school that is very progressive and has a lot of programs in place from our struggling learners to our students that are academically challenged through our Advanced Placement and International Baccalaureate classes. It is sad when we do not have enough textbooks to go around. Part of the money garnered through this Bill would help keep our classrooms updated either via texts or electronic books.

In addition we need to be able to keep our teachers in the classrooms. At our own school we have had many teachers leave the profession because it has become difficult to make ends meet. Personally, my husband has had to take on 2 additional part time jobs on top of his full-time job to have our family of four make it. We've had to forgo many necessities because of my loss in pay. And I know I am not alone in this. Yes, I didn't think I'd be rich as an educator. However at the same time I didn't think that I'd be living paycheck to paycheck and not be able to afford health insurance for my children.

LATE

February 3, 2013

Support for HB 1368

By: Clarice Olayvar

I have been a teacher in the public education system for over 20 years and have seen budgets continue to get smaller and conditions continue to decline. I have spent a great deal of my own funds to provide for my students. I have worked under some unbelievable conditions, including being assigned to teach in a closet for a semester. I have seen many highly qualified and excellent teachers leave the profession due to poor conditions, lack of support and low pay. I too have considered leaving teaching and still do til this day.

A dedicated source of funding for education could help this. This funding could provide students with supplies needed to increase learning. It could improve conditions on campus or in the classroom by maintaining safe facilities or improving the learning environment by installing air conditioning in classrooms that are overrun by external noise or are extremely hot. It could help keep quality teachers in the profession through better pay and improved environment. Quality teachers that make a difference for students.

Please support HB 1368 for the benefit of all Hawaii children.

Mahalo, Clarice Olayvar
2137 Auhuhu St.
Pearl City, Hawaii 96782

Ph# 456-3049

LATE

edbtestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 04, 2013 6:14 PM
To: edbtestimony
Cc: rebecca.mclenithan@gmail.com
Subject: Submitted testimony for HB1368 on Feb 5, 2013 09:00AM

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: LATE TESTIMONY

HB1368

Submitted on: 2/4/2013

Testimony for EDB on Feb 5, 2013 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Rebecca McLenithan	Individual	Support	No

Comments: I believe that public education should be a priority in Hawaii, and by passing HB 1368, we would have a dedicated source of funding to help pay for the backlog of repairs to our school facilities, to pay teachers a wage comparable to districts of similar size around the country, and to help support educational programs that will assist all of our students.

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LATE

David Gardner

homelessteacher@gmail.com

Brief: I was a decorated Sergeant in the US Army. I graduated with honors from a top university and I have a masters in Education from the University of Hawaii. I am a Teach For America alumni and a veteran teacher. **And I currently live in my truck.**

Monthly net pay:
\$2,336

Monthly expenses:
\$700 Rent
\$362 Student loans
\$160 Car payment
\$200 Gas
\$65 Electric
\$80 Phone
\$35 Internet
\$85 Insurance
\$230 Bank loan*
\$35 YMCA

Amount left for all groceries, toiletries, entertainment,
vehicle registration and repairs:
\$384

Account Transaction History

Below are the last 12 transactions posted to this account. Click on an amount in the amount column to receive a breakdown on how the transaction was applied.

Date	Description	Amount	Amount applied to principal	Amount applied to interest
01/14/2013	PAYMENT	\$-691.41	\$-372.94	\$-318.47
12/14/2012	PAYMENT	\$-362.85	\$-54.39	\$-308.46
11/14/2012	PAYMENT	\$-362.85	\$-43.87	\$-318.98
10/14/2012	PAYMENT	\$-362.85	\$-53.87	\$-308.98
09/14/2012	PAYMENT	\$-362.85	\$-43.34	\$-319.51
08/14/2012	PAYMENT	\$-362.85	\$-43.05	\$-319.80
07/14/2012	PAYMENT	\$-362.85	\$-53.11	\$-309.74
06/14/2012	PAYMENT	\$-362.85	\$-42.52	\$-320.33
05/14/2012	PAYMENT	\$-362.85	\$-52.59	\$-310.26
04/14/2012	PAYMENT	\$-362.85	\$-42.00	\$-320.85
03/14/2012	PAYMENT	\$-362.85	\$-62.41	\$-300.44
02/14/2012	PAYMENT	\$-362.85	\$-41.44	\$-321.41

Unsustainable Education Loan Costs for Teachers in Hawaii

Can you live on \$384 for all additional expenses? Neither could I. For a year and a half after my student loan payments began, I ran a deficit that resulted in additional credit card debt. The majority of my clothes were already from Goodwill and the furniture in my apartment pulled from the street. Unable to find any other way out from a crushing debt load, I moved into my truck, where I presently live.

I have to pay a reduced amount on my student loans, resulting in an inability to significantly impact the principal balance. Over the past 2 years, I have paid \$7,440 in interest on education loans and \$1,200 from the principal balance. It will take me 93 years to pay off my student loans, and I will have paid \$348,000 in interest. How can I look my students in the face and tell them with any kind of honesty that education pays?

Rational: Perhaps it is the opinion of the legislature graduates of top colleges should not become teachers. Perhaps it is the opinion of the legislature that individuals with leadership experience and intellectual abilities are undesirable to have as teachers in the state. Perhaps it is the opinion of the legislature that teachers in the state should never hope for financial independence- to live in an apartment without financial assistance, drive a car that has a warranty, or afford luxuries like internet access at home or a YMCA membership. Perhaps it is the opinion of the governor and legislature that classrooms with temperatures in the 90's are acceptable learning and working environments.

“The greatest threat to our national security is poor education.” -General McCrystal

Hawaii is 47th in the nation in education in a system that ranks 13th in the world.
Every year, Hawaii’s students are falling further behind in ability to compete globally.

Education is in no way similar to other social service issues. It is not comparable to homeless initiatives, sustainability projects, or natural resource protection. *Education, and the inability to keep good teachers, is a unique, subversive, and silent threat to the culture, economy, and stability of the state of Hawaii.* Without an educated, informed population, and an ability remain globally competitive, no other governmental program will remain economically or politically sustainable moving into the future. The closed-system of the Hawaii DOE creates both threats and opportunities that are unique and of higher stakes. It is currently the opinion of 56% of teachers every 5 years, who vote with their feet, that the state is failing to address the grave educational crisis it faces.

* After my vehicle suffered catastrophic engine failure, I purchased a used vehicle from an individual about to return to New Zealand. The vehicle turned out to be a lemon which cost more than \$2,500 in repairs (in addition to the \$3,500 purchase price) before also suffering complete engine failure. I was forced to purchase yet another vehicle on which I currently make payments, and in which I reside.



From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 04, 2013 8:44 PM
To: edbtestimony
Cc: marieshirlyn@yahoo.com
Subject: Submitted testimony for HB1368 on Feb 5, 2013 09:00AM

Categories: LATE TESTIMONY

HB1368

Submitted on: 2/4/2013

Testimony for EDB on Feb 5, 2013 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Marie Domingo	Individual	Support	No

Comments: Education in Hawaii needs funding and this is one way to gain funds. A majority of Hawaii's parents send their children to public schools which are in desperate need for funds. Teachers spend their own money for their students. Teachers provide supplies for students who cannot afford them. Many textbooks, computers and other technology are out of date and are unable to support various programs which can help our students. Many of you in the legislature went to public school as children...Schools cannot afford or keep up with technology as it changes. Many times servers go down or computers crash during testing or a class project. Please think about the future of Hawaii's keiki and support this bill.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 04, 2013 8:55 PM
To: edbtestimony
Cc: changj665@hawaii.rr.com
Subject: Submitted testimony for HB1368 on Feb 5, 2013 09:00AM

Categories: LATE TESTIMONY

HB1368

Submitted on: 2/4/2013

Testimony for EDB on Feb 5, 2013 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Jennifer Hashimoto	Individual	Support	No

Comments: As someone from a family of public school teachers (my mother, grandmother, aunties, uncles, cousins and myself), I fully support this bill as a way to fund the education system in Hawaii. More funding would allow for more resources, supplies, professional development as well as student opportunities and ultimately a better education for the children of Hawaii.

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edbtestimony

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 04, 2013 9:07 PM
To: edbtestimony
Cc: dsurf73@hotmail.com
Subject: *Submitted testimony for HB1368 on Feb 5, 2013 09:00AM*

Categories: LATE TESTIMONY

HB1368

Submitted on: 2/4/2013

Testimony for EDB on Feb 5, 2013 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Dorisa Pelletier	Individual	Support	No

Comments:

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edbttestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 04, 2013 9:10 PM
To: edbttestimony
Cc: MJYMALA.MY@GMAIL.com
Subject: *Submitted testimony for HB1368 on Feb 5, 2013 09:00AM*

Categories: LATE TESTIMONY

HB1368

Submitted on: 2/4/2013

Testimony for EDB on Feb 5, 2013 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Mike Yamasaki	Individual	Support	No

Comments:

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LATE

A Penny For Education Act Teacher Testimony

This is my 6th year teaching and my 4th year in the DOE. I knew as teenager at Boston University's College of Education that I would not become wealthy in my chosen career. What I did not know was just how badly I would struggle financially. I actually didn't even realize it at first.

Throughout my first few years teaching I did not feel that affected by my salary. This was because I taught full-time at a private school in town, taught summer school, all the while working part-time at a restaurant. I had enough money to survive on my own in Hawaii. I also didn't have much free time to spend the little disposable income that I had.

Then I got my "dream job" teaching Social Studies in the Hawaii DOE. Although I enjoyed my first teaching experience at a Honolulu private school where I taught 2 classes of 15 students (max), had a two hour prep period everyday, and each student had a laptop, I had always known that I wanted to teach in the public schools. I was excited to give my energy and share my talents with the students of Hawaii's public schools.

Along with the job offer came a daily commute from Honolulu to North Shore and the infamous "Furlough Fridays". During that first year, I waited tables 4 shifts per week at a restaurant in Waikiki. While everyone assumed teachers were only working 4 days a week, I was working a constant 7. Including 2 days that started with a 6 am drive from town to the North Shore and ending with shift in Waikiki, sometimes finishing after midnight. All the while sharing a 3 bedroom apartment in a not so safe neighborhood.

Working two jobs that were physically so far apart eventually took its toll on me. I reluctantly quit the restaurant job and became more involved with my school. I said goodbye to my second paycheck and instead spent my afternoons, evenings, and weekends focused on planning lessons, grading student work, advising one of our grade levels, revamping our Senior Project, and starting a student exchange program. All these hours were unpaid, a true labor of love.

To help compensate for my loss of income I moved in to a studio that I shared, my half of the rent was \$350/month. The owners were going to raise the rent, but took pity on two struggling teachers. Paying \$350/month in rent I was able to put the additional \$250 I was previously paying into savings. It was a struggle every month, but it was nice to know I had something to fall back on, as little as it was.

I now once again live in a 3-bedroom apartment and pay \$600/month. I am so involved with my school on the North Shore that a second job is not realistic at this point. Being out of the restaurant industry has also made me realize that I NEED to have some time when I am not working. So for now, I spend 10-12 hr days teaching, preparing, grading, planning extra curricular events, and commuting. No longer sharing a studio apartment and solely depending on my teacher pay, I have blown through my savings to

LATE

get by. I struggle at the end of every month.

I struggle while spending almost all my paycheck on rent, utilities, gas, car expenses, and groceries. I rarely go out to eat. My weekly treat is getting Pad Thai at the Thursday farmers market. It is \$3 and is enough to last me 2 meals.

Occasionally as a treat my friends and I go on short trips to outer islands. We always camp, because it is the only affordable option. I do enjoy camping, but is absolutely more a necessity than anything else.

I often think of the time, not so long ago that I made more money waiting tables 5 day a week at the Cheesecake Factory than I do teaching with a masters degree. I also had a much better insurance plan (\$13/pay period).

Recently I came to the realization that I cannot possibly support a family as a teacher in Hawaii. At this point I couldn't even support a pet.

My twin brother makes 4 times what I make. He works in advertising in San Francisco and is very good at convincing people to buy things they don't need. I care for and educate 163 students. Something is seriously wrong here. I don't expect to make the kind of money that my brother makes in the corporate world, but I certainly don't expect that kind of disparity either.

I do not believe that it is asking too much for the State of Hawaii to compensate it's teachers fairly. No one who dedicates so much of their lives to the keiki of Hawaii should feel so threatened and insecure financially. Over the past 4 years the Office of the Governor has not proposed a plan to help Hawaii's hardworking, financially strapped educators. A Penny For Education Act is the only proposal on the table that will do just that.

Rebecca Arlander
Social Studies Teacher
Waialua High and Intermediate



From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 04, 2013 9:47 PM
To: edbtestimony
Cc: Nathaniel.Orpilla@gmail.com
Subject: Submitted testimony for HB1368 on Feb 5, 2013 09:00AM

Categories: LATE TESTIMONY

HB1368

Submitted on: 2/4/2013

Testimony for EDB on Feb 5, 2013 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Nathaniel Orpilla	Individual	Support	No

Comments: I believe increasing the GET will provide a fair contract for teachers and also provide the necessary tools and supplies needed to teach our students. We need to keep our quality educators in this state, we need to fix our deteriorating schools, and we need to make education a priority. I am not a teacher. I am just a proud parent of a public school student who supports teachers!

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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William Xavier Braitsch
February 5th, 2013

LATE

Thank you for affording me your audience. Please excuse my brevity and any conceived braggadocio. I am a highly qualified, highly effective teacher with a master's degree in teacher leadership. At my school I am the head of the English department, I help coordinate the AP and IB programs, and work with our after-school Twilight program for at-risk students, these in addition to the myriad responsibilities inherent in my profession. Six years ago when I moved to Hawaii, and learned that teachers are not compensated based on years of service like most school districts I was overwhelmed with two feelings, fear and regret: two emotions that seem to now permeate my existence as an educator living in Hawaii. I love teaching. I love Hawaii. But unfortunately Hawaii does not seem to love its teachers. Perhaps that is a bit presumptuous, but it certainly has felt as such for the past six years. I am a single teacher with no children. I manage to survive. If I wanted to be a married teacher with children then I certainly would not be here in this great state. It just is not possible. The Greek philosopher Diogenes once said, "The foundation of every state is the education of its youth." If we as a state value education, value our youth...then we must value our teachers. By nature teachers are altruists who sacrifice much of their lives for the common good; however we are not martyrs who will sacrifice our entire livelihoods. If you want professional teachers to remain in Hawaii, pay them professional wages and improve facilities for students. Value education; value teachers; value our children; value tomorrow. Please pass HB 1368. Thank you for your consideration.

LATE

edbtestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 04, 2013 11:25 PM
To: edbtestimony
Cc: Michelle.Orpilla@gmail.com
Subject: Submitted testimony for HB1368 on Feb 5, 2013 09:00AM
Attachments: HB1368.doc

Categories: LATE TESTIMONY

HB1368

Submitted on: 2/4/2013

Testimony for EDB on Feb 5, 2013 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Michelle Orpilla	Individual	Support	No

Comments:

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I am a parent of a child in public school and will be sending two more of my children to public school in the next few years. I am writing in support of HB1368, increasing the General Excise tax by one percent for the sole purpose of providing needed funding to education. Campus improvements and retaining effective teachers are a few things I choose to bring up.

Farrington High School's gymnasium roof collapsing in 2012 was a near tragic event. This proposed bill to increase educational funds could complete/expedite the waitlist of repairs needed at schools all over the state. Safety is always on a parent's mind. Using these funds to regularly check on needed maintenance, to complete the actual repairs, to provide for security measures or personnel that could prevent harmful situations/people... this would be money well spent. It would increase parents' faith that the educational system looks out for their children. In retrospect, if school had been in session and students were inside that public high school gymnasium, I wonder who would be held accountable for injuries or even loss of life because of neglected repairs?

HB1368 as a means to create educational funding could also help ensure certified and competent teachers in Hawaii. Decent pay compatible with our state's high cost of living would help teachers not worry about how they'll provide for their families' needs. This bill may provide funds so teachers won't need to use their own money for things children need in the classroom. Honestly, more funds for a fair teachers' wage will give more respect and prestige to this profession in Hawaii. Too many of our youth choose not to consider, or are told by adults to not consider teaching, because the consensus is that teachers consistently do not get the pay or respect that they deserve. Now is the time to change that way of thinking.

It's with our state's youth best interests in mind, particularly my children's future, that I submit this testimony urging you to pass HB1368.

Aloha,

My name is Michael Hanakahi Jr. I am a Social Studies teacher at Campbell High School. First, I would like to thank you all for hearing our testimonies. I hope you find these testimonies are not simply a few teachers telling their stories, but a group of teachers speaking on behalf of thousands of similar stories from teachers across Hawai'i. I would like to start off by saying I am a supporter of HB 1368 otherwise known as "The Penny for Education Act."

I have not been teaching for very long, in fact this is my first year of teaching. I can tell you that it has been a pleasure and a struggle during these first few months as an educator. When I finished my student teaching at Roosevelt High School last year I gave a speech to about 100 seniors that I had the pleasure of educating and working with. I thanked them for the remarkable impact they had on me, showing me just how rewarding being an educator can be, and that I believe I had chosen the right profession. Little did I know how much of a struggle it would be to be an independent individual once I officially became a state employee.

I am a 26 year old man with two degrees and a "professional" job, yet I am still living with my parents. Upon being hired, I was excited to becoming an independent and self-sufficient member of society. Living on my own or maybe with some roommates. You can imagine my disbelief when I received my first paycheck as a teacher and realized that I might not be able to make it through the month. With student loans, a car payment, and several other bills, I realized that I would be barely scraping by. My first phone call was to my college "summer" job as a bartender at Germaine's Lu'au, asking if I could pick up a couple shifts so that I could make it through the month.

The dream of living on my own immediately disappeared as I looked at renting in Ewa and near by areas. Rent ranges \$400-500 in an average location, well above what I can currently afford. So instead I am opting to continue living with my family. They have been understanding and supportive of me during this time. I pay them \$200 a month to help out with costs. I love my family deeply and enjoy every moment I spend with them, but I also feel that it is the time in my life to expand my horizons, to grow as an independent individual. I thought this time in my life would truly begin to materialize when I received a "professional" job, but yet I feel as if I am getting paid as if I was still in college.

I love this job, not because of the stress or pressure of making sure that my students succeed, but because I am able to see my students grow, learn the amazing stories that each student has, and hopefully inspire them to be the best person they can be. In my short time as a teacher I have heard some amazing stories of students overcoming their fears and succeeding; heart breaking ones of relationships gone bad, family issues, and complete failure, but in each story I also saw the spark in each child's eye as they learned from their experiences and strived to grow from it.

I know I am a long way from being the best teacher I can be. I have heard it said that most teachers really do not begin to get their footing in the profession until their third thru fifth year. My question is, how do we expect these new teachers to stay that long? There are so many other options for educated individuals that have the potential of being amazing teachers. If they are unable to

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even survive as a self-respecting independent individual then how can we expect them to stick around to become those amazing teachers? Already I have thought about my own future; how long can I survive on this kind of salary? How can I afford to have my own home? Children? If I am barely scraping by as a single, childless man living with his parents, how am I supposed to live in my own home or support a family? I know I have the potential of becoming, what I hope to be, an outstanding teacher, and I look forward to impacting as many students as I can; but to what extent will I have to sacrifice my own happiness, independence, or future. I did not go into this profession for the money; my mother has been a teacher for over 15 years, so I knew the price I would be paying for impacting our future. I fully understand and believe that teaching is definitely a labor of love; I just hope that love can pay the bills.

Mahalo again for your time, and I hope that you will support HB 1368.

Aloha,

Michael Hanakahi, Jr.

LATE

edbtestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 05, 2013 6:01 AM
To: edbtestimony
Cc: mcalica1@gmail.com
Subject: Submitted testimony for HB1368 on Feb 5, 2013 09:00AM
Attachments: testimony.docx

Categories: LATE TESTIMONY

HB1368

Submitted on: 2/5/2013

Testimony for EDB on Feb 5, 2013 09:00AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
matthew calica	Individual	Support	No

Comments:

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To all concerned,

I am writing this letter in support of measure HB1368. This is my third year teaching in the State of Hawaii, and at times it feels like it may be my last. I am currently forty-thousand dollars in debt, due to my Masters in Education degree, my wife wants to start a family, and I want to buy a house: three things that my current salary will not afford me. At times, it is hard to look my wife in the face; I almost feel like I've made a mistake in choosing my profession and in turn I have let her down. Yet when I see my students' reactions when I teach them a new concept, or a new way of thinking, it makes the low-salary worth it...Almost.

I am an awesome teacher. I know this. I don't need to be told this by anyone, as I see it in my students' work. All I am seeking is a livable wage, and quite honestly, \$2200 a month does not leave me with much of a living. As much as I love my profession, I do not feel like a professional; as much as I am loved by my students, I do not feel respected by my employer; as much as I enjoy my career, I will not become a martyr for it. If things do not change, I will leave teaching and never look back, and from the looks of it, there are hundreds of other teachers willing to do the same. Again, I support measure HB1368, as I believe we teachers deserve more.

LATE

February 2, 2013

To: Representative Clift Tsuji, Chairperson
Representative Gene Ward, Vice Chairperson
Members of the Economic Development and Business Committee

From: Hannah Carnes, Kalaheo High School

Subject: Support of House Bill 1368, General Excise Tax; Use Tax; Education

Aloha! My name is Hannah Carnes, and I am currently a junior at Kalaheo High School in Kailua. I strongly support House bill 1368 and I would like to ask you to do the same. As the bill says, "Hawaii's students deserve to learn in functioning buildings at comfortable temperatures. They deserve to learn from qualified, dedicated instructors who are able to focus their energy on the task of teaching, not on their families' budget."

At this time there are a total of 254 public schools in Hawaii, serving students from grades Pre - Kindergarten all the way to the twelfth grade. Of these 254 schools, 193 were established over 50 years ago. Even the most well built facilities begin to break down over time. Just look at the roof of Farrington High School's auditorium. Less than two hours before it was to be filled with students for an activity, part of the roof crumbled in. These are the sorts of things that we can't afford to wait on. These are the sorts of things that, with the extra funding provided through this bill, that we can prevent.

Furthermore, the turn over rates of teachers nationwide are startling. Teacher turnover costs us more money than it would cost us to simply improve teacher salaries. When teachers leave our schools, we have to then hire substitutes to fill the space while we look for emergency teachers. It's time and effort that is entirely unnecessary. Our teachers are responsible for preparing us for life after high school. They should get some kind of compensation for that. They shouldn't have to work multiple jobs to support their families, they shouldn't be anywhere close to qualifying for "public nutrition assistance" and they most definitely shouldn't have to use their paychecks to purchase supplies they need for their classrooms. Add the conditions of classrooms to the mix and you have the perfect equation to scare off perfectly good, qualified teachers from working at our schools. Just this past semester my Spanish teacher of one and a half years left to Florida with her husband because the two of them could not support themselves due to their low pay and the high cost of living. We lost one of the best teachers in our school because she couldn't afford to live here. With the implementation of this bill we could remedy the problem - we could keep our teachers in Hawaii, teaching in our schools, shaping our student's lives.

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Additionally, the implementation of this bill is already supported by the people of Hawaii. According to the survey conducted by KHON2 News during the week of January 14, 2013, 72.8% of those surveyed said that they would support a one percent increase to our General Excise Tax if it meant it would support our education. The people of Hawaii care about our teachers, about our students, and that they are able to receive a quality education. We can't receive a quality education if we can't afford it.

The implementation of this bill can only bring good to the state of Hawaii. By supporting our educational system, we support our future. We support the teachers, and in turn we can support the students.

Thank you for your time and consideration, I truly hope you will take our statements into account when you decide whether or not to pass this bill.

LATE

February 4, 2013

To: Clift Tsuji Chairperson
Gene Ward Vice Chairperson
Members of Economic Development and Business Committee

From: Jessica Dickerson

Subject: Support of House Bill 1368, Pennies for Education

Hello, I am Jessica Dickerson and I am a tenth grader at Kalaheo High School on Oahu. I as a student in this current education system I would like for your support on House Bill 1368. The public school system has been sacrificing many educational workers and extra curricular activities. Regardless of how well a school is doing there our consistently limiting financial resources. By limiting money for education has created more problems than solutions like lack of construction in Farrington High School auditorium roof collapse. Cutting financials is not improving but it is doing the opposite.

To improve the public education system we need more money to ensure that we are creating well rounded students that can have a successful future. Currently we are being taught with outdated textbooks and in classrooms at the temperature of eighty eight degrees. Also having multiple teachers that are working two jobs because they're not making ends meet because of low pay, which causes their focus not on the students. That is not proper learning conditions, if we want a change we must give up some time and money to have the necessary tools to ensure a bright future with opportunity for achieve for all.

Thank you for your time and consideration, I truly hope that you will support House Bill 1368.

LATE

February 5, 2013

To: Cliff Tsuji Chairperson
Gene Ward Vice Chairperson
Members of the Economic Development and Business

From: Hayli Gibson

Subject: Support of House Bill 1368, Relating to Education

Hi I'm Hayli Gibson and I am a sophomore at Kalaheo High School in Kailua. I strongly believe in HB1368, would like to ask your support. As of right now the educational standards are not being met, because of certain conditions. Almost every school has no air condition; they use windows, which on some days you will get on a breeze on other days you will not. It is stated that students and teachers who do not have air condition are more likely to not focus in class. If no one focuses then no one learns and that will hurt our education standards.

Another problem we seem to have with our education is with the teachers. It has been brought to my attention in the past year that many of the teachers in Hawaii are not always qualified. If I may say so, a teacher who is not qualified to teach they are not going to be able to keep the students listening. Even though we may be "getting taught" we are not actually learning. In the end that will affect our test scores.

Education is not something we have to do, it is something we need to do. Every state in the world teaches their minors everything they need to know for life, but that's for the state to pay for. It's been shown that nearly 3/4th's of our teachers are paying to supply their classrooms and students with things they need to learn. Out of money from their own pockets. Stuff they are buying is what the state taxes for education should be paying for. Our teachers are not to pay for our education.

Thank you for your time and consideration, and I truly hope that I have helped urge you to support House Bill 1368.

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**To: Cliff Tsuji Chairperson
Gene Ward Vice Chairperson
Members of the Economic Development and Business Committee**

From: Cameron Higginbotham, Kalaheo High School

Subject: In Support of House Bill 1368, Related to Education

My name is Cameron Higginbotham and I am a junior at Kalaheo High School. I am writing in support of House Bill 1368, herein after referred to as A Penny For Education Act. The one penny per taxpayer given to the public school systems of Hawaii will benefit education in that teacher salaries will rise. With increased teacher salaries comes increased professionals willing to work in Hawaii. For example, here at Kalaheo we had a teacher move to teach in Florida because the wages are so low.

Another point I'd like to make is the aging structures our students use that have gone through little to no renovations. Renovations to these buildings will prevent further obstruction in the future. For instance, Kalaheo's buildings have gone through little to no renovations since it's inception as a high school in 1976. Several of the buildings are seemingly on the verge of sliding off the hill they're planted on due to erosion.

Overall, the Penny for Education Act will be extremely beneficial to our public school systems and improve education. Thank you for your time.

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February 3, 2013

To: Clift Tsuji Chairperson
Gene Ward Vice Chairperson
Members of the Economic Development and Business Committee

From: Skye A. Hudson, Kalaheo High School Freshman

Subject: In Support of House Bill 1368 , A Penny for Education act.

Hello, I am writing this to state my supporting of the House Bill 1368, otherwise known as A Penny for Education in the state of Hawai'i. As a student it may seem odd that I am in support of this bill. Or even that I understand what it is. If the public is taxed one cent more on goods, that one cent goes straight to education. The possibilities for that one cent are limitless.

One Possibility for that one cent could be to increase teacher pay. At the end of last semester Kalaheo lost one of our loved spanish teachers. We lost her to a mainland school and lost another great teacher in the state of Hawai'i. Due to the miniscule pay teachers receive and the extreme cost of living in Hawai'i. If the teachers can't afford to live here, we won't have teachers. And the value of Hawai'i's education will lower greatly over a period of time.

Another possibility for the A Penny for Education act will be to improve the overall quality of our schools in Hawai'i. Schools in Hawai'i are overheated and some are forced to cut corners on construction due to lack of funds in aging schools. Such as Farrington High School who had their auditorium roof fall in , hours before hundreds of students were due to enter.

Thank you for reading and considering this testimony. I hope you will support House Bill 1368 as strongly as I do.

TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: GENERAL EXCISE, USE, Increase tax rate; disposition for operations of the department of education

BILL NUMBER: HB 1368

INTRODUCED BY: Takumi by request

BRIEF SUMMARY: Amends HRS sections 237-13, -15, -16.5, -18 to increase the general excise tax from 4% to 5%.

Amends HRS sections 238-2 and -2.3 to increase the use tax from 4% to 5%.

Amends HRS section 237-31 to provide that 20% of all general excise tax revenue shall be deposited into a special account in the general fund and be appropriated to and expended for operations of the department of education provided that this revenue shall be in addition to and not substituted for moneys otherwise appropriated to the department of education.

Amends HRS section 238-2 to provide that 20% of all general excise tax revenue shall be deposited into a special account in the general fund and be appropriated to and expended for operations of the department of education.

This act shall be applicable to gross income or gross proceeds received and gross value or taxes accruing after December 31, 2013.

EFFECTIVE DATE: Upon approval as noted

STAFF COMMENTS: It should be remembered that any increase in the general excise tax rate will not only increase the cost of living in the state but also increase the cost of doing business. Thus, businesses must build the added cost of the additional rate into their overhead and, therefore, it must be recovered in the cost of the goods and services they sell. The general excise tax is perhaps the worse tax to increase as far as rates because of its broad-based application. Increases in the cost of living, as well as the cost of doing business in the state will drive more and more businesses out of operation and with them the jobs Hawaii's people need. For teachers who have requested this increase in the tax to fund their salaries, they should acknowledge that they are just making it worse for everyone as the cost of food, shelter, clothing, transportation and every other essential household item will increase making it harder for all families to survive.

It fails to recognize the all-encompassing features of the general excise tax. Not only will the general excise tax increase the cost of doing business, but it will affect the cost of all other non-food purchases, be it clothes, textbooks for university students, rent for those people who don't own their shelter which are generally the poor and middle class, the price at the pump for gasoline - everything right down the line. Such an increase may just drive employers out of business and create even more unemployment

and stagnate the economy. Residents of Honolulu already know what such an increase can do the price of goods and services as a result of the transit surcharge.

Lawmakers should remember that Hawaii's general excise tax is not a retail sales tax which is imposed only at the time of purchase for final consumption and then only on goods. Other states do not tax services which in Hawaii accounts for 60% of the general excise tax base. In fact, for those who believe Hawaii should restructure the general excise tax to be like a retail sales tax, they should know that in order to generate the same \$2.7 billion the general excise tax generates at the 4% rate, the retail sales tax structure would require a tax rate of 11%. And if food is exempted from the base, as it is in California, the retail sales tax rate would have to be nearly 17% to generate the same amount of money.

Again, lawmakers and taxpayers should remember that businesses must also pay the general excise tax on all the goods and services it uses in their daily operation and if the rate goes to 5%, that added cost must be recovered in the goods and services that businesses sell to their customers. Thus, not only will the rate go up at the register, but the shelf price of the box of cereal or bag of rice will also increase because the cost of the overhead of that business must be recouped and the only way that businesses can do that is to raise the price of the goods and services they sell.

More importantly, because the general excise tax is a tax on gross income, the business will try to recover as much of the cost of the tax it passes on to the customer. As Oahu taxpayers learned when the 0.5% surcharge on the general excise tax for transit went into effect, the amount passed on to the customer went not from 4% to 4.5% but the charge went from 4.16% to 4.712%. Thus, the tax rate actually passed on will be more than the nominal 5% everyone believes will be imposed. Again, such an increase will ripple through the economy and into the cost of all goods and services purchased by residents and visitors alike. To that degree, taxpayers can take their hats off to teachers for upping the cost of living and doing business in Hawaii.

While the measure earmarks the revenues from the 1% rate increase for the department of education and states that these new funds will be in addition to the \$1.5 billion the department currently receives from the state general fund, based on its track record, that is no guarantee that lawmakers will not decrease general fund appropriations in the future, or for that matter, raid the special account. Further, will the amount of the increase estimated to be as much as \$900 million be used as the advocates of this measure assume, that is to support teachers' compensation.

It should be remembered that there is money to be had but unfortunately, much of this money is tied up or designated for specific programs or activities in special funds. This situation is largely the work of past lawmakers who thought it was prudent to provide certain favorite programs their own resources by earmarking sources of revenue for that particular program and setting the receipt of that resource off into a special fund. It is not that special funds are all that bad, but over the years the number of funds has proliferated as lawmakers took pet programs under wing and provided those programs with earmarked revenues. When Hawaii became a state more than 50 years ago, there were only three special funds - all in the area of transportation - the highway fund, the airport fund, and the harbor fund. These were established largely because the users of the facilities financed by the moneys in these funds paid the fees and taxes that went into these special funds. In many cases, these transportation funds are kept separate from the state's general funds because the fees and taxes deposited into these funds are used to match federal subsidies for these transportation activities.

While this measure does not establish a special fund, it does designate the proposed new revenues from the additional 1% rate increase be set aside in a special account in the general fund. Lest advocates of this measure believe that education will be guaranteed these funds, the track record indicates how disingenuous lawmakers have been about earmarked special funds, raiding those special funds when it is expedient and even in the face of federal prohibitions such as the monies that were collected and designated to build the enhanced 911 system.

The drawback of creating these special funds with totally irrelevant earmarked revenues is that the favored program usually does not undergo the kind of close scrutiny that general-fund financed programs do. Why pay any attention to those special-fund financed programs as the money in those special funds can only be used for the designated purpose? Thus, lawmakers don't know how effective the programs are and whether or not there is sufficient funding or perhaps more than sufficient funding. Similarly, will future lawmakers pay attention to the quality of educational programs and the need for funding if such a designated special account exists?

A tax increase of any magnitude in Hawaii's fragile economy will, no doubt, have a negative impact as costs soar due to higher taxes. As costs soar and overhead increases, employers will have to find ways to stay in business by either increasing prices to their customers or cut back on costs. Given the tenuous condition of the marketplace, many businesses will have to resort to the latter and reduce overhead costs. This may take the form of reducing inventory, shortening business hours, reducing employee hours, or in the worst-case scenario, laying off workers. A tax increase of any magnitude would send most companies, especially smaller ones, out of business taking with them the jobs the community so desperately needs at this time.

While the teachers believe that they have not been given a fair shake at the negotiating table, that is an issue that should be resolved at the table and not by asking for tax increases or an earmarked source of funding. It is up to the teachers to ask for what money is available just like any other collective bargaining units. Although public employee union leaders complain about how the public employees should not be asked to bear the brunt of the downturn in the economy, they seem to ignore the fact that employees in the private sector have already borne the brunt of the economic recession with many of them either working shorter hours or having taken pay cuts if they are working at all. To prove the point, lawmakers should ask how many of the unemployed workers come from the public payroll and how many are employees laid off from the private sector. The downsizing during the recent economic downturn may seem to have hit more public employees, but then again, government is the largest employer in the state. However, one cannot ignore the impact the closing of businesses such as Aloha Airline that affected more than 3,000 employees directly and many more indirectly in companies which provided goods and services to the airline.

Finally, teachers do have a legitimate complain that should demand the attention of lawmakers and board of education members and that is teachers are being asked to do more and more administrative paperwork and are spending less and less time in the classroom. If nothing else, the funds that are being appropriated to the DOE are failing to reach the classroom because of the top-heavy administrative structure of the department that demands reports and schedules and evaluations to justify the role of administrators. The frustration of classroom teachers is that they spend too much time filling out forms and reports and not enough time in the actual classroom. Unfortunately, with more than 25% of the general fund budget, the department of education still cannot get it right. Until it does, there is little justification for an increase of financial resources let alone an increase in the general excise tax.