



STATE OF HAWAII  
DEPARTMENT OF EDUCATION  
P.O. BOX 2360  
HONOLULU, HAWAII 96804

**Date:** 03/12/2014

**Committee:** House Education

**Department:** Education

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

**Title of Bill:** SB 2423, SD2(sscr2805) RELATING TO THE DEPARTMENT OF EDUCATION.

**Purpose of Bill:** Allows schools and classes to participate in fundraising or charitable activities, in conjunction with a charitable organization that is a 501(c)(3) tax-exempt organization and registered under section 467B-2.1, HRS, or granted an exception from registration under section 467B-11.5, HRS, based on criteria established by the board of education. Effective 7/1/2050. (SD2)

**Department's Position:**

The Department of Education strongly supports SB 2423 SD2 because we believe it is critically important for students and schools to partner with non-profit community organizations to foster civic engagement and service learning. Moreover, we believe that school or class participation in fundraising or charitable activities directly promote character education pursuant to Board of Education Policy 2109 (Character Education) which provides in relevant part:

*The vitality and viability of our democratic way of life are dependent on all students developing into responsible and caring citizens who respect themselves, others, and the world in which they live. Character education is the process through which students are provided opportunities to learn and demonstrate democratic principles and core ethical values such as civic responsibility, compassion, honesty, integrity, and self-discipline. . . .*

*Character education must be incorporated into the curriculum at each grade level in the public schools. For character education to flourish, it must be infused into the culture of each classroom as well as the entire school. Students need continuing, real-life opportunities to learn to act morally and ethically. The ultimate objective is the development of students who make virtues integral parts of their personality.*

Further, school projects involving fundraising or charitable activities provide opportunities for youth to apply what they have learned in the classroom to real world situations. Beyond fundraising, the activities give students a sense of accomplishment, responsibility and independence. Engaged students work alongside staff, parents, and community members to ensure long lasting and meaningful contributions to their schools, communities and organizations.

This bill, which provides the authority under HRS Chapter 302A relating to Education, will allow our students to engage as described above.



# HAWAII STATE ETHICS COMMISSION

State of Hawaii • Bishop Square, 1001 Bishop Street, ASB Tower 970 • Honolulu, Hawaii 96813

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March 12, 2014

The Honorable Roy M. Takumi, Chair  
The Honorable Takashi Ohno, Vice Chair  
Honorable Members  
House Committee on Education  
Hawaii State Capitol, Room 332  
415 South Beretania Street  
Honolulu, Hawaii 96813

Re: **S.B. 2423, S.D. 2, Relating to the Department of Education**

Hearing: Wednesday, March 12, 2014, 2:00 p.m.  
State Capitol, Conference Room 309

The Honorable Roy M. Takumi, Chair; The Honorable Takashi Ohno, Vice Chair;  
and the Honorable Members of the House Committee on Education:

The Hawaii State Ethics Commission has strong concerns about S.B. No. 2423, S.D. 2. The Commission urges the Committee to fully consider and understand the broad scope of the bill and the possible (and maybe even likely) application of the provision.

The State Ethics Code does not allow a state employee to use his position to give himself or others an “unwarranted advantage” or special treatment. Haw. Rev. Stat. § 84-13. The statute also specifically prohibits the use of “state time, equipment or other facilities for private business purposes.” Haw. Rev. Stat. § 84-13(3). “Business” is defined in the statute to include both for-profit and non-profit organizations. Haw. Rev. Stat. § 84-3.

This bill, in essence, will create an exception to the State Ethics Code’s provision that prohibits using state resources for private business activities. It will allow public school administrators and teachers to dedicate class time, school facilities, and other resources to fundraise for or to otherwise support a private, non-profit organization, no matter the mission or purpose of the non-profit organization. It will allow public school administrators and teachers to direct students to participate in fundraising and charitable activities, irrespective of whether the student’s parents know of and support the non-profit organization.

The Commission appreciates the intent of the bill: to enrich student learning, improve the school environment and support school programs. The Commission also appreciates that schools and school employees may be eager to support a non-profit organization, particularly a popular organization. However, as written, the bill is extremely broad, allows fundraising for any non-profit organization without any guidance or controls, and raises numerous concerns. The Commission offers the following as examples of issues that the Committee should consider:

- Although there are many worthy charities, there are also many non-profit, 501(c)(3)-type organizations which are not widely accepted, which may have a mission that is inconsistent with or objected to by some school employees and/or parents. Stated differently, one teacher's belief that a charity or its cause is worthy may not be universally shared. For example, Hawaii Right to Life Education Fund, Planned Parenthood, and Hawaii Family Forum are non-profit organizations whose missions may not be universally supported by teachers, students, and/or parents. The bill will allow fundraising for any and all of these organizations.
- Given the number of non-profit, 501(c)(3)-type organizations, there invariably will be issues relating to why a public school administrator or teacher supported one charity but not another (i.e., is it fair for a school employee to choose which charity is more "worthy" and to allow public school resources to be used to fundraise for or support that charity rather than another charity). For example, is it "fair" for a public school to fundraise for and support the Susan G. Komen Foundation, but not Make-A-Wish, the American Heart Association or the American Diabetes Association?
- Where a school administrator or teacher (or the employee's spouse) is involved with a non-profit organization (e.g., the school principal is a director on the non-profit's board or the teacher's spouse works for the non-profit) and the administrator or teacher elects to use students, school time, and other school resources to fundraise for or support the non-profit organization, there likely are concerns as to whether the administrator or teacher misused his position to cause school resources to be dedicated to support that charity. Similarly, there may be questions about whether the administrator or teacher has a conflict of interest in allowing school resources to be used to support an organization. For example,

a teacher's daughter is a girl scout and she uses class time and student labor to sell girl scout cookies; or the principal's son plays Pop Warner football and he fundraises at school, during school hours, and using the school equipment to support the team; a school principal's spouse is employed by the American Cancer Society and allows fundraising for the organization at the school.

- Given that students and their parents likely will be asked to participate in fundraising if it is a school-sanctioned activity, the Commission suggests that the Committee consider that students are unlikely able to decline their teacher's request that they participate in the fundraising activities. Moreover, school-sponsored fundraising activities may create or facilitate an environment where certain families feel "pressured" to participate notwithstanding their limited financial resources or objection to the organization and/or its mission.

The Commission realizes that some of these issues may eventually be addressed in the rule making requirements of this bill; however, the Commission strongly suggests that the State Ethics Commission is able to provide more comprehensive and clearer guidance to the Department and its employees than the rules that may be promulgated pursuant to this bill.

Recently, the Commission has received many complaints and questions relating to fundraising and other charitable activities in schools and in other state offices. Some of the inquiries endorse using state resources for such activities; however, many others clearly object to state resources being used to support private charitable activities.

In the near future, the Commission intends to consider, comprehensively, the application of the State Ethics Code to such fundraising activities by state employees and expects to issue broad guidance on the matter. Many of the concerns expressed by the Superintendent and other school employees as well as by other state agencies that this bill may be attempting to address will be considered by the Commission. **For that reason, the Commission suggests that the Committee defer the bill until after the Commission has had an opportunity to thoroughly consider the issues and the application of the State Ethics Code.**

Thank you for the opportunity to testify on S.B. No. 2423, S.D. 2.

**ohno2-Rexie**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 10, 2014 1:31 PM  
**To:** EDNtestimony  
**Cc:** tabalos@hsta.org  
**Subject:** \*Submitted testimony for SB2423 on Mar 12, 2014 14:00PM\*

**SB2423**

Submitted on: 3/10/2014

Testimony for EDN on Mar 12, 2014 14:00PM in Conference Room 309

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Tanya Abalos	HSTA	Support	Yes

Comments:

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**From:** EDU Testimony  
**Sent:** Tuesday, March 11, 2014 11:55 AM  
**To:** EDNtestimony  
**Subject:** FW: S.B. No. 2423 S.D. 2

**From:** Jennifer Luke-Payne [mailto:jlukepayne@gmail.com]  
**Sent:** Monday, March 10, 2014 10:13 PM  
**To:** EDU Testimony  
**Subject:** S.B. No. 2423 S.D. 2

Committee: Senate Education  
Department: Education  
Written Testimony: Jennifer Luke-Payne Principal Kaaawa  
Elementary School

Title: S.B. No. 2423 S.D. 2, Relating to The  
Department of Education

Purpose: To allow school or class participation in  
fundraising or charitable activities.

Department's Position: As the Principal of Kaaawa Elementary  
School, I fully support this Bill in its ability to sustain the DOE in educating the  
whole child. This bill supports educating the whole child in three ways:

First, it affords the children of Hawaii to be educated in civic responsibility,  
empathy, being a part of civic solution even in the global sense. Here are two  
examples of ways that Kaaawa Elementary has helped our students to be

responsible citizens of Hawaii and the world. In the first semester of each year Kaaawa Elementary has its yearly Jump Rope For Heart in conjunction with the American Heart Association. Faculty, staff and our students work together to learn more about keeping our hearts healthy and raise money to improve the health of people in our nation. This past year we raised close to \$2,000 to help meet the needs of the American Heart Association. In doing so our student learned how the heart works, the importance of exercising and at the same time they learn to give back to their community. Another example but a smaller fundraiser was developed through my third grade Teacher, Ms. Joy and a parent from her class. Ms. Joy asked Ms. Vanessa one of her student's parents to find a good thanksgiving activity to go along with her Thanksgiving lesson. Vanessa brainstormed with the class and they came up with a unique idea. At the time Philippines had a hurricane that devastated their land. The children wanted to help the kids in the Philippines. Vanessa knew they couldn't help all but they could help at least one. So as a class, the third grade recycled cans and bottles and collected money to adopt a child in Philippines for a school year. Jesse is the boy these third grade students chose to adopt. They write him letters to let him know that they care.

This is what we want our children to be like, giving and caring. People describe this generation as the "I" generation but it doesn't have to be that way. We can teach them to be better.

My second reason to support this bill is fundraisers get parents involved in their child's education. They open communication between school and parents. Even the most illiterate parent can participate in a fundraiser. Without fundraisers,

activities will be cut because there is no money and parent participation will be little to none.

My last simple but very important reason to support this bill is to save my school. The current process for funding schools depends on student enrollment. Due to Kaaawa Elementary small size its budget is too small to meet its base needs. Every year we fundraise to supplant the difference between schools needs and funding. Without fundraisers my school will have no chance of success.

Faller to pass this bill will close opportunity to teach our children to care about our society, cause a roadblock for parent participation and probably cause catastrophic damage to every under budget school in Hawaii. I respectfully urge you to support schools and our children by making the right choice and passing this bill.





House of Representatives  
Committee on Education

Representative Roy Takumi, Chair  
Representative Takashi Ohno, Vice Chair

**In Support of SB 2423 SD2**  
Relating to the Department of Education  
Fundraising and Charitable Activities

*Hearing: 02:00p, Wednesday, 12 March 2014*  
*Conference Room 309 State Capitol*

I am Meredith Maeda, the former principal of James B. Castle High School, and **I support SB 2423 SD2.**

Our hope is that our children and young adults exhibit stewardship for our environment and provide service to our community. In advocating for participation in fundraising or charitable activities, we enhance student learning through school projects that are relevant to their life. By providing these service learning opportunities for our students, there is a purposeful relationship developed that fosters living and learning—schooling with life experiences. Fundraising or charitable activities that benefit student learning engages the community and the school together in a positive relationship that is mutually beneficial.

Therefore, a school or class participating in fundraising or charitable activities, in conjunction with an organization that is exempt from federal taxes, as part of a school project when the activity benefits student learning makes learning meaningful and advances the notion of stewardship, the responsibility and accountability of caring for our society. To deny and prohibit these activities, we would eliminate a significant teaching opportunity as educators.

Thank you for the opportunity to testify **in support of SB 2423 SD2.**