



888 Mililani Street, Suite 601
Honolulu, Hawaii 96813-2991

Telephone: 808.543.0000
Facsimile: 808.528.4059

www.hgea.org

The Twenty-Eighth Legislature, State of Hawaii
House of Representatives
Committee on Education

Testimony by
Hawaii Government Employees Association
February 11, 2015

H.B. 107 – RELATING TO THE
DEPARTMENT OF EDUCATION

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO is opposed to H.B. 107 in its present form.

As written, this bill would increase available resources in the form of services for schools by authorizing each public school, at the discretion of the principal or principal's designee, to accept in-kind services in lieu of collecting fees and charges for the use of school facilities and grounds; however, we also recognize and are concerned with potential issues that could arise.

Of particular concern is the absence of language within this measure that would require the establishment of fully developed procedures, policies and/or criteria to be used consistently by the principal or the principal's designee to determine the value of in-kind services that would be used in lieu of fees.

For this reason we oppose this bill. We appreciate the opportunity to provide written testimony in opposition to H.B. 107.

Respectfully submitted,



Irene Puuohau
Field Services Officer



Committee: Committee on Education
Hearing Date/Time: Wednesday, February 11, 2015, 2:00 p.m.
Place: Conference Room 309
Re: Testimony of the ACLU of Hawaii **in Opposition to H.B. 107**, Relating to Schools

Dear Chair Takumi and Members of the Committee on Education,

The American Civil Liberties Union of Hawaii (“ACLU of Hawaii”) writes in **opposition to H.B. 107**, Relating to the Schools.

This bill creates constitutional problems. By allowing principals to accept in-kind donations, and allowing principals to determine the value of those in-kind donations, this bill raises serious concerns that **principals could treat some individuals/organizations interested in using school facilities more favorably than others**. For example, a principal who supported the Boy Scouts but opposed the Girl Scouts could allow the Boy Scouts to “pay” with in-kind services, for example, while requiring the Girl Scouts to pay cash. Given that the principal has discretion as to whether to accept an in-kind donation (and, therefore, discretion to reject a proposed in-kind donation), and that the principal likely lacks the expertise to properly determine the value of the proffered in-kind services, there is a very strong probability that some organizations will be able to use school property on more favorable terms than others. As another example, the principal could decide to allow all non-religious groups to “pay” with in-kind donations, while requiring all religious groups to pay with cash, thus discriminating against churches and other religious groups. This kind of favoritism would violate the First Amendment to the United States Constitution and article I, section 4 of the Hawaii Constitution and will likely lead to litigation.

The current system ensures that all organizations wishing to use school property may do so on equal terms. As such, the ACLU of Hawaii respectfully requests that the Committee defer this measure.

Thank you for this opportunity to testify.

Daniel M. Gluck
Legal Director
ACLU of Hawaii

The mission of the ACLU of Hawaii is to protect the fundamental freedoms enshrined in the U.S. and State Constitutions. The ACLU of Hawaii fulfills this through legislative, litigation, and public education programs statewide. The ACLU of Hawaii is a non-partisan and private non-profit organization that provides its services at no cost to the public and does not accept government funds. The ACLU of Hawaii has been serving Hawaii for 50 years.

American Civil Liberties Union of Hawaii
P.O. Box 3410
Honolulu, Hawaii 96801
T: 808-522-5900
F: 808-522-5909
E: office@acluhawaii.org
www.acluhawaii.org

**GAY LESBIAN
BISEXUAL AND
TRANSGENDER
CAUCUS**



**DEMOCRATIC
PARTY OF
HAWAII**

February 9, 2015

House's Committee on Education
Hawaii State Capitol
415 South Beretania Street, Room 309
Honolulu, HI 96813

Decision Making: Wednesday, February 11, 2015 – 2:00 p.m.

RE: STRONG OPPOSITION for House Bill 107 – RELATING TO SCHOOLS

Aloha Chairperson Takashi, Vice Chair Ohno and fellow committee members,

Mahalo for the opportunity to testify in STRONG opposition of House Bill 107 on behalf of the Gay, Lesbian, Bisexual, Transgender Caucus of the Democratic Party of Hawaii's (GLBT Caucus) over 1,000 members and supporters. The GLBT Caucus is Hawaii's oldest and only caucus dedicated to ensuring justice and equality for Hawaii's LGBT community.

Our opposition has many faces but we will focus on just two areas; the first being related to the safety assurances for Hawaii's public school students and the second is with regards to fair labor practices for our union brothers and sisters.

Keiki Safety: Nowhere in this bill are there any safeguards regarding the work that a group may do on a public school facility. Here are just a few of the questions that come to mind, none of which are answered by this bill:

When would this work be done, during school hours? Will the workers be required to trained professionals in the field of work they are and will they be required to be bonded? Who will oversee the work and ensure it is done to code? Will the workers have background checks done to keep sexual predators away? If yes, who will pay for those background checks? Who will check that the materials being used meet all safety codes?

Fair Labor Practices: This bill sounds like it violates the Union Contracts that the State has signed with ALL the public unions. Here are the questions that this bill raises on this issue:

What jobs would the renters be allowed to do in exchange for free rent? Would they be allowed to do custodial duties, coach a sports team, cook school lunches, work in the front office answering phones, grade tests or teaching a class? This could lead to phasing out a job for the time that a group rents the facility or leaving a State worker with no work to do.

There are no fixes that would make this bill right, fair or just, so we ask that you vote House Bill 107 down. Sound a message loud and clear our keiki's safety comes first and the State will honor their labor contracts.

Mahalo nui loa,

Michael Golojuch, Jr.
GLBT Caucus Chair and
Male Rep. to the State Central Committee of the Democratic Party of Hawaii



46-063 Emepela Pl. #U101 Kaneohe, HI 96744 · (808) 679-7454 · Kris Coffield · Co-founder/Executive Director

TESTIMONY FOR HOUSE BILL 107, RELATING TO SCHOOLS

House Committee on Education
Hon. Roy M. Takumi, Chair
Hon. Takashi Ohno, Vice Chair

Wednesday, February 11, 2015, 2:00 PM
State Capitol, Conference Room 309

Honorable Chair Takumi and committee members:

I am Kris Coffield, representing IMU Alliance, a nonpartisan political advocacy organization that currently boasts over 300 local members. On behalf of our members, we offer this testimony in opposition to House Bill 107, relating to schools.

In a high profile lawsuit filed under seal in March of 2013, five churches—including three affiliated with New Hope—were accused of depriving the state of \$5.6 million in unpaid rent and fees. New Hope allegedly accounted for nearly \$4.6 million of the underpayments, including \$3.1 million for New Hope O'ahu's use of Farrington High School, according to the original complaint. While the case was dismissed for citing insufficient detail, New Hope ultimately settled claims from the lawsuit for \$775,000, approximately \$581,000 of which went to the Department of Education. As a result of the lawsuit, it was revealed that John Tilton, executive pastor of the New Hope O'ahu, sent a letter dated October 4, 2012 to the current chairman of the Hawai'i State Board of Education and fellow New Hope pastor, Don Horner, arguing for rent reductions valued in the hundreds of thousands of dollars for school facilities used on a regular, ongoing basis for religious purposes. Hilton, and many New Hope parishioners, argued that New Hope was justified in seeking an exception because the church served the community interest by providing repair and maintenance to Farrington High School's auditorium and assisting with community service projects.

Contrary to Tilton's assertions, we argue that this bill, in its current form, represents a clear and present danger to the separation of church and state. Discussing the U.S. Constitution's Establishment Clause, the Center for Public Education notes that:

School districts may not endorse (or appear to be endorsing) religious activities in school sponsored activities. **What that means in practice is that schools may not give special treatment to believers nor special prominence to activities that highlight religion.** The Establishment Clause, in other words, is the Constitutional device that prevents public entities

like schools from taking sides with the faith-based community. The need for the divide harkens back to the founding of this country, when the potential for religious strife was a real threat to the unity of a new nation.

Though this bill purports to allow principals to accept in-kind donations in lieu of fees for the use of campus facilities, we are concerned that the measure lacks language limiting the in-kind exemption to secular programs. Thus, we are concerned that the law's application will result in religious organizations attempting to justify increased use of public school facilities through donations of goods and services that advance a spiritual agenda, at a time when such institutions have come under scrutiny for failing to pay fees to which other, less prosperous and influential organizations were subjected. Moreover, we do not feel that principals are equipped to determine the value of in-kind donations. Rather, we feel that determinations of value should be made by financial experts, with the assistance of the State Ethics Commission. If, for example, a Mormon principal at Kahuku High School is tasked with determining the value of services from BYU-Hawaii, a Mormon College, or even the Mormon Church itself, which is heavily present in the Laie community, it is conceivable that the principal might overstate the cost of the in-kind donation because he or she shares the church's beliefs and may be a church member. Finally, we note that the loss of fees will likely force the DOE to find other funding sources to subsidize repair and maintenance, resulting in an unintended general fund encumbrance.

As Thomas Paine said in *The Age of Reason*, "One good schoolmaster is of more use than a hundred priests." We hope that you do not allow that latter to overrun our commitment to the former or to our children. Mahalo for the opportunity to testify in opposition to this bill.

Sincerely,
Kris Coffield
Executive Director
IMUAlliance

February 9, 2015

Dear Representatives;

Thank you for taking the time to consider my opinion on HB107. I support the bill.

As stated in the bill, I agree that “each public school, at the discretion of the principal or principal's designee, may accept in-kind services in lieu of collecting fees and charges for the use of school facilities and grounds.”

I believe this would create great relationships between the schools and their communities. As being part of a homeschool group that rented Wheeler Middle School auditorium last year, I can attest to the benefit this could be for many groups and schools.

G3 (Giving God Glory) is a homeschool co-op of over 20 families with students ranging from pre-school through senior high. As part of our curriculum we offer drama/script writing/set-design/choreography for which our high school students earn credits. As an end of the year project and community outreach, we perform a play free of charge to over 200 people each night. Last year we rented Wheeler Middle Auditorium for \$1200. As is the nature of homeschooling, we are mostly one-income families so paying that kind of money is hardship.

Our group, which is over 60 strong of students and parents, could do many projects for the school. In fact, last year we deep cleaned the auditorium before and after our performances, sweeping, mopping and steaming the floors, wiping down all the chairs and tables, repairing stage lights, replacing bulbs, and fixing the stage curtain. Actually leaving it better than we found it. We come with expertise in many fields and could do painting, light construction, yard work, cleaningproviding many services for the school.

I am sure at every school there is an endless list of projects that need to be done, but there isn't enough staff or hours in a day to accomplish them. Allowing principals to utilize a groups' time and talents to get these jobs done would be a win-win situation. Also, it is my understanding that monies collected for building use is not actually kept by the specific school for their use, but deposited in an overall DOE fund. If principals, who know best what their campuses need, were given the authority to accept “in-kind” services in lieu of fees, our schools would be immediately improved while enabling broader accessibility to community groups that would otherwise not be able afford to rent the facilities.

Please support HB107.

Mahalo,
Lisa Poulos



95-954 Makakilo Dr. #71 Kapolei, HI 96707 Email: Rainbowfamily808@gmail.com Phone: 808-779-9078 Fax: 808672-6347

February 9, 2015

House Education Committee

RE: HB 107 Use of In-Kind Donations w/DOE . IN STRONG OPPOSITION

Aloha Chair, Vice Chair and Members,

As President of Rainbow Family 808, a group of straight, LGBT families focused on peace and justice through education, I strongly OPPOSE HB 107 on behalf of all our families and the students' Public School Education.

- 1) As a Social Worker, I find that HB 107 is vague about In-Kind Donations in connection with use of Public School facilities:
 - a) Who is qualified to decide the value of In-Kind Donations?
 - b) What criteria will be used to set the value of the In-Kind Donations?
 - c) Where are the guidelines for what will be accepted as In-Kind donations?
 - d) HB 107 is a lawsuit waiting to happen. To mandate In-Kind Donations sets the stage for 'sweetheart deals' like those at Farrington HS and others that cost the Public Schools to pay for real life expenses like utilities, staff during the use of state facilities. Waivers were given to extend the 5 year limit for continuous rental; waivers were given to exclude the set up and clean up times after the time used on school campuses. Not all renters were given the same consideration or wavers when using school facilities.
 - e) Donations are supposed to be gifts, not a bargaining tool to avoid paying rental fees. Doctors no longer accept chickens for payment. Neither should the DOE!

Please DO NOT PASS HB107. Our Public Schools budgets need protection, not a misuse of the state facilities. DOE budgets are not bottomless pocket books and need every dollar for improved education of our students.

Mahalo nui loa

Carolyn Martinez Golojuch, MSW

Rainbow Family 808 President

February 10, 2015

To: Representative Roy Takumi, Chair
Representative Takashi Ohno, Vice Chair
Members of the House Education Committee

From: Lauren Nahale

Subject: In opposition of House Bill 107, Education; Use of Facilities; In-kind Services

Aloha! My name is Lauren Nahale, and I am currently a junior at Kalaheo High School in Kailua. I strongly disagree on HB 107, and I would like to ask for your opposition as well. Currently Kalaheo High Schools cafeteria is 3,376 square feet; hourly for use it is \$21 without AC, utilities \$4.55 an hour, and \$43.62 for custodians. If schools were to allow organizations to use their facilities without paying and doing in-kind services in lieu of the prices, organizations could take advantage of the services, or not follow through with the services.

A lawsuit filed by Mitch Kahle and Holly Huber, members of Hawaii Citizens for the Separation of State and Church. They claim churches have shorted the Department of Education \$5.6 million in unpaid rent and charges. In Farrington High School New Hope Oahu shorted the school \$3.2 million, New Hope Hawaii Kai shorted Kaiser High School \$1.1 million and One Love Ministries kept \$930,000 from Kaimuki High School. New Hope Oahu's Pastor clarifies that his church donated \$1 million on equipment and upgrades before the collapse of the auditorium. All three of these churches agreed to donating thousands of dollars to the schools on new equipment for students, staff and new upgrades to the campus. These church organizations shorted the campus an abundance of money; the church's gained free electricity, free facilities, free utilities, etc.

Thank you for your time and consideration, and I hope you oppose House Bill 107.

HB107

Submitted on: 2/10/2015

Testimony for EDN on Feb 11, 2015 14:00PM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Kari Benes	Individual	Support	No

Comments: Thank you Chair and Members of the Committee on Education. This measure helps many entities of the community to use a school as a public facility in exchange for in kind services. It provides a non-momentary incentive for our community members to partner with schools to achieve each others needs. It's a win win situation. My hopes are that the legislature would also explore protective measures to prevent unnecessary litigation over contracts agreed upon by schools and community entities be it a club, mentoring program, or church. Thank you.

HB107

Submitted on: 2/11/2015

Testimony for EDN on Feb 11, 2015 14:00PM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Bryn Villers	Individual	Support	No

Testimony of Deyna Miyamoto

HB107 – Relating to Schools Education; Use of Facilities; In-Kind Services

House Committee on Education
Wednesday, February 11, 2015 at 2:00 p.m.
Conference Room 309

Dear Chair Takumi, Vice-Chair Ohno and Members of the Committee:

Aloha, my name is Deyna Miyamoto. I have a 4th grade daughter and 1st grade son attending Noelani Elementary School. I chair two committees on the PTA and are heavily involved with both the Girl Scout and Cub Scout programs as both my children are scouts. I would like to submit testimony regarding HB 107.

I've co-led the Manoa Valley Church Girl Scout Troop 649, it currently has 12 girls. The majority of these girls are Noelani Elementary students. We use to meet at the Noelani cafeteria and was the Noelani School Girl Scout Troop 649. Due to the implementation of the custodial fee on type II users, our cost to use the facilities had skyrocketed and we were no longer able to afford the cost to meet there. Fortunately for us, we were able to secure a close location. However there are still two Girl Scout troops who are attached to Noelani (Brownie Troop 636 and Junior Troop 659). They are in limbo as to meeting place, scrambling as they have no funds to pay for such outrageous fees.

I am also the Chartered Organization Representative for the Noelani Cub Scout Pack 35. We do not meet at the school, as the Pack cannot afford to do so. We have irregular meeting schedules where and when we can find a place to hold over 15 boys. Noise and space are factors, many of the boys activities require space and finding a place to meet has been challenging. The majority of the Cub Scout pack are also Noelani students (ages 6-11).

The Noelani Boy Scout Troop 35 (majority are Noelani Alumni) used the cafeteria the most, 3-4 times a month on Friday's from 6-9pm. Since they could not afford to meet at the school, they unsuccessfully tried to merge with another school's Boy Scout Troop. They are back meeting at Noelani. However, they are using the covered outside area fronting the school's library. There are only two concrete benches and it gets really windy and cold. They utilize the outside lighting which is on a timer. They have no bathroom access, no tables or chairs. At this rate, they cannot survive meeting in the outside covered area of the library. It is impractical as a long term meeting space for the 8-10 current Boy Scouts and the 4-5 Cub Scouts moving up to the Boy Scout level in a few months.

Categorized as type II users, we are considered non-profits. As such we were only charged the cost of utilities which was \$6.83/hr. Girl Scout Troop 649 met twice a month, every other Monday from 6-8pm. The monthly cost for our Troop amounted to less than \$30 a month. Boy Scout Troop 35's cost were higher due to their longer, and more frequent meetings. All the meeting troops would be responsible for their own clean up after each meeting, taking the trash out, and locking up the cafeteria and bathrooms. However the implementation of the custodial fee for type II (nonprofit) users have ultimately killed us. Per union contract the custodial fee is a 2 hr. minimum at base custodial rate at time and a half. The cost we were given for our custodial fee was \$43.63 per hr. Due to the 2 hr. union contract minimum, it would cost each of our meeting groups an additional \$87.26 per meeting in addition to our utility cost. This would mean for every meeting, the Girl Scout Troop would have to pay \$100.92 (\$87.26 custodial fee and \$13.66 utility cost). Multiply that for the 2 meetings held monthly, it would be \$201.84 for the Girl Scouts, and it would amount to more for the Boy Scouts since they utilize the facilities longer and more often. There's absolutely no way any non-profit meeting organization can afford this.

For the "for profit" groups who meet at schools, like Karate, Zumba, various churches, they are able to offset their cost for utility and custodial fee through their profits. But the scouts have no profits, we have nothing to offset costs with. At Noelani, we use to have Zumba meeting there, they could no longer afford it and have left. The Karate group still meets at Noelani. I believe they are able to continue to do so due to their large amount of members offsetting their costs. Noelani's faculty, parents and students utilized these programs, taking the Zumba and Karate classes and participating in the scouting programs.

Noelani has lost valuable programs and it's a shame that our school's ohana as well as the neighborhood have to subject to such loss. How much more do we have to lose?

The scouts have provided valuable servicing to the school which have benefitted not only Noelani but all those who use the facilities. A very big annual project is the painting of the Noelani parking lots by the Noelani Cub Scouts and Boy Scouts. They clean up the parking lots, repaint all the lines and curbing. The Noelani parents, teachers, staff, all benefit from this annual project. But the benefit reaches beyond that, the groups the use the facilities like Zumba, Karate and the Manoa Neighborhood Board who holds monthly meetings at Noelani all use the same parking lot and are all able to benefit from this wonderful project. The scouts feel honor and pride to give back to their school, as current students and alumni. To be able to return and do good for the children are a huge part of the scouting program. Won't you please find a way to help such invaluable programs from our schools?

Sincerely,

Deyna Miyamoto

DAVID Y. IGE
GOVERNOR

LATE



KATHRYN S. MATAYOSHI
SUPERINTENDENT

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

Date: 02/11/2015
Time: 02:00 PM
Location: 309
Committee: House Education

Department: Education

Person Testifying: Kathryn S. Matayoshi, Superintendent of Education

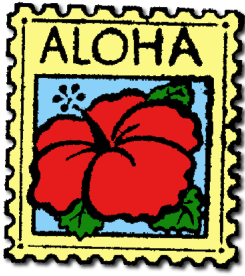
Title of Bill: HB 0107 RELATING TO SCHOOLS.

Purpose of Bill: Authorizes each public school, at the discretion of the principal or principal's designee, to accept in-kind services in lieu of collecting fees and charges for the use of school facilities and grounds.

Department's Position:

The Department of Education (DOE) does not support this bill, as currently written. While the DOE supports the authority of the school principal, there are no guidelines for the school principal, or designee, on how to determine the value of in-kind services. In many cases, it is necessary for someone with the proper expertise to determine in-kind values. For example, licensed architects or engineers are required to determine the value of work in construction projects. The DOE is concerned that principals will not have the necessary expertise to determine the fair value of an item and may agree to valuations that may not be sufficient to compensate the DOE for the associated costs to maintain its facilities as required by law. If the accepting of in-kind services is in lieu of paying for using the facilities, the DOE would then need to identify additional funding sources to cover associated repair and maintenance costs, utility bills, and custodial labor costs.

However, the Department is interested in exploring possible alternative models that may provide a more appropriate pathway towards achieving the intent of this measure. The Department requests that the committee report reflect the Department's concerns, yet we encourage the continued dialog around this measure to try to seek solutions to the issue.



Holly J. Huber

(808) 554-7692 • hollyjhuber@gmail.com

LATE

House Committee on Education

Hearing on February 11, 2015 @ 1:30 PM in Conference Room 309

HB107 RELATING TO SCHOOLS (Use of Facilities; In-kind Services)

TESTIMONY IN OPPOSITION

February 10, 2015

Aloha Representatives:

I urge you to **STRONGLY OPPOSE** this measure allowing Hawaii's public schools to accept in-kind donations or services in lieu of rental fees, custodial services and utilities charges.

If an organization wants to help out Hawaii's public schools, please do. But do not expect something in return like free rent and utilities.

There are many people who volunteer their time and services to Hawaii public schools. Parents and community members contribute to fundraisers and help out any way they can. Local businesses have been very generous with donations and service projects. And they all do it for nothing, nothing in return. Why is it that some users of Hawaii public schools think they deserve discounts and special considerations?

HB107 is an insult to those hard-working volunteers, parents, community members, organizations and businesses that donate so generously and expect nothing but thanks and smiles for it.

The rental fees, utilities charges and custodial service fees for Hawaii public schools are mandated by law to recover costs. These are costs that would not be incurred if the public school facility were not in use. When a principal waives, discounts, or diverts these mandatory fees, the school (and thus taxpayers) must then cover the costs incurred. Whenever a private user of a public school is not required to pay rental fees, custodial services or utilities charges, the school then has to pick up the tab, subsidizing the private user with funds intended for public education.

Churches are by far the most regular and routine users of public school facilities in the State; in 2012 as many as 137 Hawaii public schools were used to hold regular weekly worship services. These very churches that are testifying in support of HB107 (and companion bill SB328) would benefit greatly from this change in the law. Instead of recovering costs from these churches, HB107 would have our public schools expend public money—funds intended for public education—to subsidize religious activity at the schools. This is both unwise and unconstitutional.

As you may recall, Mitch Kahle and I spent a year investigating church use of public school facilities before filing a whistleblower lawsuit in 2013 on behalf of the Hawaii State Department of Education. The lawsuit was an attempt to halt the widespread, systemic fraud perpetrated by a large number of Hawaii churches that were not paying or were underpaying the state for use of public school facilities.

We determined the amount of nonpayment or underpayment from just five Hawaii churches resulted in losses totaling more than \$5.6 million in revenue owed to the State of Hawaii from 2007 through 2013. Additional damages potentially totaling more than \$2 million may have resulted from 35 other churches' nonpayment or underpayment of rental fees and utilities charges over the same six-year period.

We discovered many instances where the church and the school principal (or designee) entered into improper agreements whereby school administrators waived and/or under-assessed charges for rent and utilities to the direct and immediate financial benefit of the church. In most cases the churches claimed in-kind donations as the reason for the discounts. The value of many of these donations was grossly inflated, the amount of work provided exaggerated, and nearly all of it was undocumented.

At Farrington High School, for example, New Hope Oahu claimed they spent \$1.7 million dollars in upgrades and improvements to the school auditorium. But they did so without obtaining required building permits or even proper approval from the DOE. When the DOE suggested the church find another location for their weekend services, New Hope Oahu threatened to claw back everything they claimed to have donated.

"If we do find alternative facilities, we will have to remove all of our technical systems (electrical, sound, lighting and video) from the auditorium for use at our new facility, which will result in a replacement cost to the State of at least one million dollars, which if not available, will deem the auditorium unusable for any school class, event or activity," wrote New Hope Oahu Pastor John Tilton to BOE Chairman Horner in a letter (see attached, page 2).

At Kaiser High School, New Hope Hawaii Kai installed high-power stage lighting systems, sound systems, and multiple video projection systems inside the school's cafeteria and permanently stored church property on school grounds and inside buildings without payment of rent.

At Kapolei Middle School, New Hope Kapolei received waivers from the administration for its use of seven or more air-conditioned classrooms every weekend. But the church refused to pay rent even for the cafeteria, trying to negotiate a full waiver of rental fees. In May 2012, the church owed the public school more than \$40,000 in overdue rent, going back over two years. School administrators evicted New Hope Kapolei and finally after months of meetings and phone calls received payment for the deeply discounted overdue rent.

There are many more examples of these egregious attempts at defrauding Hawaii public schools in our 2,242-page whistleblower report. In 2013, we provided the DOE, the BOE, the Hawaii State Attorney General, the Senate President, and the Hawaii State Auditor with copies of our report detailing the fraud and damages to Hawaii's public schools by these practices. Superintendent Matayoshi and these state agencies are well aware of the problems that occur when principals are given discretion in charging fees for public school usage by private parties.

Please vote "NO" on HB107.

Sincerely,

Holly J. Huber

Attached: 2-page letter from New Hope Oahu Pastor John Tilton to BOE Chairman Horner



BOARD OF EDUCATION

October 4, 2012

12 OCT -9 19:41

Donald Horner, Chairman
Hawaii State Board of Education
P.O. Box 2360
Honolulu, HI 96804

Dear Mr. Horner:

I would like to extend our gratitude and appreciation for your leadership in providing the best in educational curriculum and social development support for our youth through out the State school system.

I am writing with regard to a concern in the pricing structure and formulas that are used in the renting of public school facilities.

The key concern and challenge to any organization that rents or leases a public school facility is being charged the full rental rate from the time the organization begins setting up, through the event time, through interim non-use times between sessions and through the breakdown and clean up time.

There is no other public or private facility in the State including Waikiki hotels, the Blaisdell Center or the Stan Sheriff Center that charges users the full rental from the time the organization steps onto the property, through the time the organization leaves the property. Setup, interim non-use time between sessions and breakdown times are either not charged, or at the most are charged 20% of the full rental rate. Thus, the current rental rate structure used in renting and leasing public school facilities is way above market rates in comparison.

In our situation for New Hope Oahu using the Farrington High School Auditorium and 10-12 classrooms; our rental for our Saturday and Sunday services would have increased from \$225,000 to \$900,000 annually, or \$ 4,327 to \$17,308 for two days per week. Although we adjusted our set up and breakdown time to the bare minimum, we still pay \$ 9,000 for two days rental per week, or \$468,000 annually. This has put an immense strain on the financial stability of our church. Thus, although we will continue to rent and lease the facilities until we find an affordable alternative, we have no choice but to look for other facilities to use.

It is our opinion that when the time comes of finding alternative facilities, the students, the community and our church will be the losers. When we first began renting the auditorium and classrooms in 1991, the auditorium was condemned. The school grounds were a drug haven with much crime going on during the evenings and weekends. We've invested millions in the renovation and upkeep of the auditorium and classrooms.

Mr. Horner
Page Two
October 4, 2012

Crime and drugs on the campus during the evenings and throughout the weekends are now non-existent.

We have willingly had the pleasure of donating hundreds of thousands of dollars to the school for programs, general funds, uniforms, transportation and special events; plus providing tents, chairs and technical equipment at no charge for student and school events.

We have given to and supported numerous community events in Kalihi.

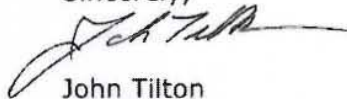
We have also provided clean up and food for the housing projects that surround Farrington High School.

If we do find alternative facilities, we will have to remove all of our technical systems (electrical, sound, lighting and video) from the auditorium for use at our new facility, which will result in a replacement cost to the State of at least one million dollars, which if not available, will deem the auditorium unusable for any school class, event or activity.

New Hope used to maintain all of the systems including the air conditioning system. Now that we have to pay a higher rental rate due to the air conditioning that we purchased and installed, the State was to take over the maintenance of the air conditioning system. They have failed to do so. Thus, one of the two systems is non-working resulting in a warm uncomfortable environment. The State inspected the situation and deemed the repair non-priority and therefore not scheduled a date or plans for repair. Yet, we are expected to pay the higher rental rate based on air conditioning. In the past, we would have covered the cost of the repair. However, we understand that we will not receive any credit or consideration to do so.

We request that a policy change be made to the current rent structure and the 5-year lease limitation. We ask that this be done expediently, as to avoid the further loss of key contributors that are investing in the future of Hawaii's children. Thank you for addressing these concerns.

Sincerely,



John Tilton
Executive Pastor
New Hope Oahu

cc: Kathryn Matayoshi, Superintendent, Raymond L'Heureux, Assistant Superintendent, Office of School Facilities and Support Services

LATE

Hawaii State 28th Legislative Session
Public Testimony HB107, EDN Room 309, 2:00pm
Wednesday, February 11, 2015

One can never pay in gratitude" on can only pay "in kind" somewhere else in life.
Anne Morrow Lindbergh

I stand in opposition to HB 107 which authorizes each public school, at the discretion of the principal or principal's designee, to accept in-kind services in lieu of collecting fees and charges for the use of school facilities and grounds. Although contextually I am in support of the idea, my reservations are as follows: The tendency of most island principals and or assistant principals lacking philanthropic management training for the absence of, or existence of any professional development training or academic training in this area. In addition to this the lack of harmonization. Whereby the coordination and informational sharing of all stakeholders in open and transparent communications. Case in point I had an opportunity to attend The Hawaii State Empowerment Conference, November 28th and 29th 2015 at Moanalua High School our state First Ladies where they expressed the plight of public school principals failing to include all the stakeholders from the students, parents, teachers, community leaders, not just a principal' designee.

Mahalo

Respectfully Submitted