



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

**Date:** 03/23/2016  
**Time:** 02:00 PM  
**Location:** 309  
**Committee:** House Education

**Department:** Education

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

**Title of Resolution:** HCR 166/HR 116 REQUESTING THE DEPARTMENT OF EDUCATION TO PROVIDE THE LEGISLATURE WITH A COMPREHENSIVE REPORT ON PUBLIC SCHOOL FUNDING.

**Purpose of Resolution:** Request the Department of Education (Department) to provide a comprehensive report on public school funding and an evaluation of methods of improving funding which, at a minimum, includes the following ten specific items:

1. Comparison of per pupil spending - between the Department and mainland districts of similar size and with similar cost of living;
2. Comparison of teacher salary - between the Department and mainland districts of similar size and with similar cost of living;
3. Changes to the Weighted Student Formula (WSF) to promote equity, including the use of categorical allotments and increased funding for special education;
4. Progress of air conditioning public school classrooms;
5. Budgetary projections to reduce class size - to 20:1 for elementary schools and 26:1 for intermediate and high schools;
6. Funding requirements for specific positions at all schools - for a librarian, technology coordinator, vice principal, counselor, and special education transition coordinator;
7. Funding to increase arts and Native Hawaiian educational programming;
8. Funding to expand vocational, technical, and career pathway programming to at least one high school in every complex area;
9. Funding to align teacher salary steps with years of service; and
10. Information on strategies for minimizing administrative costs and departmental overhead expenses.

**Department's Position:**

The Department supports the intent of HCR 166/HR 116 to provide a comprehensive report on public school funding and an evaluation of methods to improve funding, and provides comments on some of the specific requirements for the report.

For the comparison of per pupil spending and teacher salaries, it would be problematic to find comparable districts that meet both the school size and cost of living criteria as there are only five districts within +/- 10% of Hawaii's public schools' student enrollment (Hillsborough County FL, Orange County FL, Fairfax County VA, Palm Beach County FL, and Gwinnett County GA). As such, for both per pupil spending and teacher salaries, one comparison could be made for school districts of similar size, and another for school districts with similar cost of living.

For changes to the WSF, the Committee on Weights (COW) meets every two years for the purpose of reviewing and, if necessary, amending the WSF so that in conjunction with the various categorical allotments, the WSF equitably distributes a substantial portion of the Department's budget to schools. The last COW met over the Spring and Summer of 2015. The next COW will convene in 2017.

For funding to increase specific positions at all schools, it is not clear exactly what information is desired. Is the desired information the cost of providing one of each of the positions to each public school or an assessment of what positions have already been funded by schools and a determination of the additional expense of providing the various positions to those schools that do not already have them?

Thank you for the opportunity to provide comments on this resolution.



1200 Ala Kapuna Street ♦ Honolulu, Hawaii 96819  
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Corey Rosenlee  
President  
Justin Hughey  
Vice President  
Amy Perruso  
Secretary-Treasurer  
Wilbert Holck  
Executive Director

TESTIMONY BEFORE THE HOUSE COMMITTEE ON  
EDUCATION

RE: HCR 166/HR 116 - REQUESTING THE DEPARTMENT OF EDUCATION  
TO PROVIDE THE LEGISLATURE WITH A COMPREHENSIVE REPORT  
ON PUBLIC SCHOOL FUNDING.

WEDNESDAY, MARCH 23, 2016

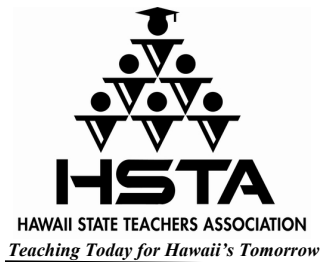
COREY ROSENLEE, PRESIDENT  
HAWAII STATE TEACHERS ASSOCIATION

Chair Takumi and Members of the Committee:

The Hawaii State Teachers Association **supports HCR 166/HR 116**, requesting the Department of Education to provide the Legislature with a comprehensive report on public school funding.

Every year, our state faces a dilemma. We want to improve education, but solutions require money. Whether it is chronic teacher shortages, lowering class size, or cooling overheated classrooms, the reality is that Hawaii's public schools are underfunded.

Historically, this underfunding served a purpose: perpetuating a discriminatory class system. During the era of the Big Five in Hawaii, 75 percent of the land was controlled by a few wealthy business owners, who did not want to support their workers' children with taxes. One plantation manager said, "Every penny we spend educating these kids beyond the sixth grade is wasted." Another said, "Public education beyond the fourth grade is not only a waste, it is a menace. We spend money to educate them and they will destroy us." They knew that if plantation children became educated, they would have choices and demand better wages. The best way for the Big Five to keep profits high, then, was to undermine public schools.



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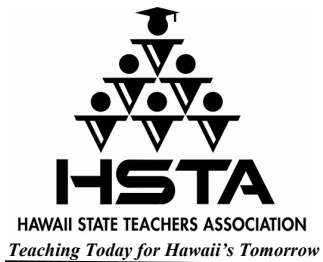
**Wilbert Holck**  
Executive Director

Since then, public school underfunding has lingered. In the 1920s, “federal commissioners complained that Hawai’i’s unique system of taxation was not adequate to support a first class American public school system.” Real property assessments were too low. Honolulu’s real-property tax fell below the median for 47 comparable mainland cities, although the city and county of Honolulu ranked far above most other cities in taxable wealth. In turn, this led to high class sizes, inadequate teacher pay, high teacher turnover, and degraded facilities. Sound familiar?

Today, Hawai’i has the lowest property taxes in the nation, as well as the lowest percentage of state and local expenditures for public education. When compared to other school districts, we rank last in per pupil spending and teacher pay adjusted for cost of living, leading to the country’s leading teacher turnover rate. According to former assistant superintendent Ray L’Heureux, we are last in the nation in capital improvement spending per student per year, too. Unsurprisingly, Hawai’i also leads the nation in private school attendance. Nearly 38 percent of students in Honolulu attending private schools.

Earlier this year, HSTA conducted a statewide poll on education and educational funding. A survey of 500 likely voters was conducted on landlines and cell phones using professional interviewers. The margin of error for the whole sample is +/- 4.38 percentage points at the 95 percentile level of confidence. Our findings concluded:

- 74 percent support increasing funding for public education;
- 48 percent support increasing the GET for education (48 percent are opposed);
- 57 percent support raising the GET to support the Schools Our Keiki Deserve vision for public education;
- Public support for individual components of the Schools Our Keiki deserve is high, with:
  - 87 percent support increasing funding for facilities;
  - 83 percent support increasing funding for the arts;
  - 79 percent support increasing funding for vocational education;
  - 78 percent support increasing funding for public preschools;
  - 77 percent support increasing funding for classroom supplies;



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- 77 percent support increasing funding for higher teacher salaries.

Thus, the public will support higher taxes for education, as long as they know how those taxes will be spent. Schools Our Keiki Deserve expresses to the public how we are going to improve our schools and pay for these changes.

If the education community joins together to demand better resources for our schools, we can create 21<sup>st</sup> Century schools. We can increase resources for special education, which is currently in crisis because we can't fill positions. We can install air conditioning. We can expand vocational and arts education. And we can pay our teachers professional salaries.

Our vision is not merely HSTA's vision. It encompasses all stakeholders impacted by education inequality. Will anyone here say that they are against improving our facilities, strengthening special education, raising teacher salaries, or lowering class sizes? Of course not. On this, we all agree.

On this, we must act. Accordingly, the Hawaii State Teachers Association asks your committee to **support** this resolution.



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

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**TESTIMONY FOR HOUSE CONCURRENT RESOLUTION 166/HOUSE  
RESOLUTION 116, REQUESTING THE DEPARTMENT OF EDUCATION  
TO PROVIDE THE LEGISLATURE WITH A COMPREHENSIVE REPORT  
ON PUBLIC SCHOOL FUNDING**

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

**Wednesday, March 23, 2016, 2:00 PM  
State Capitol, Conference Room 309**

Honorable Chair Takumi and committee members:

I am Kris Coffield, representing IMUAlliance, a nonpartisan political advocacy organization that currently boasts over 350 members. On behalf of our members, we offer this testimony in strong support of HCR 166/HR 116, requesting the Department of Education to provide the Legislature with a comprehensive report on public school funding.

In comparison to school districts of similar size and demographic composition, Hawai'i, ranks 227th in per-pupil funding *before* adjusting for cost of living, at \$11,823 per child. Washington D.C., New York City, Boston, Pittsburgh, and Cincinnati school districts, for example, spend nearly twice as much as Hawai'i per pupil, at well over \$22,000 to over \$26,000 per student. Similarly, local private schools, discounting Catholic institutions, spend nearly \$19,173 dollars per student, with Punahou President Jim Scott revealing, in 2014, "The real cost of our education per student is \$26,000," owing to the school's then-total endowment of \$235 million and fundraising operations of \$12-\$15 million annually.

Earlier this year, HSTA proposed raising the general excise tax by one percent and dedicating generated revenue wholly to education. A one-percent GET hike would garner over \$750 million each year for local schools, which could be used to fund public preschool (\$125 million per year), provide comprehensive classroom cooling (\$100 million or less in total, per the most recent departmental estimates), "true up"

teacher step raises with earned classification (approximately \$73 million in total), provide class materials to special education teachers (\$3,750,000 annually), give debit cards for supplies to educators statewide (\$6,500,000 per year), expand arts and vocational education, lower class sizes, and, at long last, pay teachers the salaries they deserve. According to a WalletHub study, Hawai'i ranked 51<sup>st</sup> out of fifty states and the District of Columbia for starting and median teacher pay adjusted for cost of living. When teachers clamor for better pay, they're not being greedy. On the contrary, they're fighting for the professional stability necessary to retain highly effective educators and recruit new teachers into chronically understaffed schools. If teachers are the most important factor in determining scholastic success, then the state should compensate them accordingly, competitively, and professionally.

Yet, raising the general excise tax is not the only solution for increasing public school funding. According to a study released in 2015 by the Lincoln Institute of Land, Hawai'i has the lowest or next-to-lowest industrial, commercial, and apartment property taxes in the nation, for both urban and rural communities. Similarly, a WalletHub.com analysis revealed, last year, that the islands have the cheapest residential property taxes in the country, yet only 57 percent of state residents live in homes they own. While some people believe that a low property tax bill makes local housing more affordable, this belief is vitiated by the fact that islanders compete heavily with people from all corners of the world for home ownership. More importantly to HSTA, Hawai'i's public schools are not funded through property taxes, which are constitutionally directed to the counties. Since property taxes are not used to finance local schools, we lack a dedicated funding stream for public education, which is instead paid for, primarily, through the state's general fund. We could, however, pass a constitutional amendment allowing the Board of Education to levy a surcharge on top of the current property tax structure (particularly for high-value properties often purchased as investments), generating direct revenue for our public education system.

At the end of the day, this resolution isn't about money. It's about making our schools the sign and signal of our society's audacious future. Mahalo for the opportunity to testify in strong support of this measure.

Sincerely,  
Kris Coffield  
*Executive Director*  
IMUAlliance