



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

**Date:** 02/22/2018  
**Time:** 12:30 PM  
**Location:** 308  
**Committee:** House Finance

**Department:** Education

**Person Testifying:** Dr. Christina M. Kishimoto, Superintendent of Education

**Title of Bill:** HB 2164, HD1 MAKING AN APPROPRIATION FOR PUBLIC EDUCATION.

**Purpose of Bill:** Appropriates funds to the Department of Education for school-level funding. (HB2164 HD1)

**Department's Position:**

The Department of Education (Department) supports the intent of HB 2164, HD1.

The Department makes every effort to wisely spend appropriations provided and appreciates the continued support that the Legislature is seeking to provide to all schools through this school-level funding. However, unless this school-level funding increase is placed into the Department's general fund recurring base budget, it will be difficult for schools to plan around a one-time influx of funding. Providing schools with a consistent stream of funding will allow for better planning and utilization, in support of the Department's Strategic Plan.

As such, the Department would like for the committee to consider appropriating this one-time amount of funding to address the school-level Repair and Maintenance (R & M) backlog that has been adversely affecting the Department's ability to repair, maintain and provide 21st century learning environments through quality facilities at school campuses throughout the State. This would provide students, teachers and the total school community a school environment that is seen with pride and conducive to optimum learning for all students.

The Department requests that the passage of this measure does not replace or adversely impact priorities indicated in our Board of Education approved budget.

The Hawaii State Department of Education seeks to advance the goals of the Strategic Plan which is focused on student success, staff success, and successful systems of support. This is achieved through targeted work around three impact strategies: school design, student voice, and teacher collaboration. Detailed information is available at [www.hawaiipublicschools.org](http://www.hawaiipublicschools.org).

DAVID Y. IGE  
GOVERNOR



CATHERINE PAYNE  
CHAIRPERSON

STATE OF HAWAII  
**STATE PUBLIC CHARTER SCHOOL COMMISSION**  
**(‘AHA KULA HO‘ĀMANA)**

<http://CharterCommission.Hawaii.Gov>  
1111 Bishop Street, Suite 516, Honolulu, Hawaii 96813  
Tel: (808) 586-3775 Fax: (808) 586-3776

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FOR: HB 2164 HD1 Making an Appropriation for Public Education  
DATE: February 22, 2018  
TIME: 12:30 P.M.  
COMMITTEE: House Committee on Finance  
ROOM: Room 308  
FROM: Sione Thompson, Executive Director  
State Public Charter School Commission

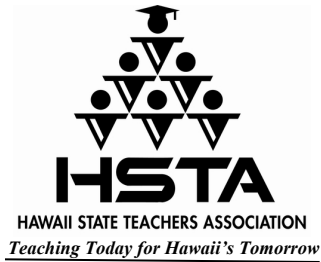
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Chair Luke, Vice Chair Cullen, and members of the Committee:

The State Public Charter School Commission (“Commission”) appreciates the opportunity to submit this testimony in **SUPPORT OF THE INTENT of HB 2164 HD1**, which appropriates funds to the Department of Education (DOE) for school-level funding to support student learning and success.

Increased funding for public education is an investment in the children that attend public charter schools, as well as children that attend DOE public schools. The Commission hopes that any additional funding for public education provided by the Legislature includes public charter schools. The Commission looks forward to working with the Legislature and the larger community of supportive stakeholders who strive to better the lives of all our public school students.

Thank you for the opportunity to provide this testimony.



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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  
FINANCE

RE: HB 2164, HD 1 – MAKING AN APPROPRIATION FOR PUBLIC  
EDUCATION

THURSDAY, FEBRUARY 22, 2018

COREY ROSENLEE, PRESIDENT  
HAWAII STATE TEACHERS ASSOCIATION

Chair Luke and Members of the Committee:

The Hawaii State Teachers Association **supports and suggests amendments for HB 2164, HD 1**, making an appropriation for public education.

Hawai'i *still* shortchanges its public schools. While our state's per-pupil spending of \$12,855 ranks 17th in the nation when compared to other states in raw dollars, comparison with school districts of similar size and demographics yields different results. Mainland districts with high costs of living are typically urban and averaged with rural districts experiencing lower costs of living in statewide analyses, a geographic and fiscal situation that is not applicable to the islands' single statewide school district.

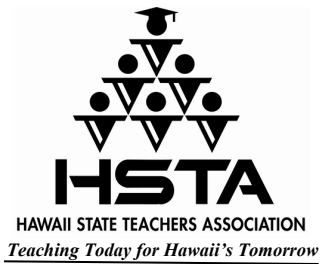
When comparing school districts of similar size, Hawai'i ranked 227th in per-pupil funding *before* adjusting for cost of living, according to an analysis performed by Ballotpedia.org. Likewise, the Department of Business, Economic Development, and Tourism reported, in March of 2017, that Hawai'i's education expenditures, as a share of combined state and local government spending, is 27.3 percent, which ranks as the lowest in the nation. Hawai'i's major private schools, in contrast, average \$15,173 in per-pupil spending. When Catholic schools, subsidized by the Roman Catholic Diocese, are removed, private school spending jumps to nearly \$19,173 dollars per student, sans endowment funds that further boost private school baselines. Punahou President Jim Scott revealed, in 2014, that the "real cost of our education per student is \$26,000," with the school's endowment standing then

at \$235 million and fundraising operations generating an additional \$12-\$15 million each year. It is no wonder, then, that Hawai'i has one of the highest private school enrollment rates in the nation. According to U.S. Census Bureau data, for the 2016-2017 school year, approximately 20 percent of K-12 students on O'ahu attended private schools, with that number rising to 38 percent for students living in the urban core of Honolulu.

The islands also continue to suffer from a shortage of qualified teachers. According to the DOE's STRIVE HI accountability reports, for the 2017-2018 school year, the state saw 1,011 SATEP vacancies, up from 920 SATEP vacancies in 2016-2017, including a slight increase in SPED SATEP vacancies, from 290 in 2016-2017 to 311 in 2017-2018. SPED teacher attrition has led to a situation in which 1 out of every 6 SPED teachers have not completed a state-sanctioned teacher training program. Our teacher shortage problem is further clarified in the DOE's 2016-2017 Employment Report, which shows that teacher resignations increased from 781 in 2015-2016 to 850 in 2016-2017. Similarly in-state SATEP hires decreased from 404 to 387 over that time span, while out-of-state SATEP hires increased from 508 to 572. Teacher attrition is even worse in high-poverty areas. In the Nanakuli-Waianae Complex Area, for example, an astounding 18 out of 19 SPED teachers hired for the 2017-2018 school year do not have a special education license.

Moreover. In 2015, the DOE released a study entitled *Equitable Access to Excellent Educators*, which found that an average of 14.48 percent of teachers in low-poverty schools are inexperienced (haven't completed one full year of full-time teaching), unqualified (have not obtained full licensure in Hawai'i), or teaching out of their field of expertise. In high-poverty schools, however, the study noted that an average of 21.48 percent of teachers are inexperienced, unqualified, or out-of-field. In other words, high-poverty schools have 50 percent more teachers who are inexperienced, unqualified, or out-of-field than their low-poverty peers.

That said, we do not believe that the single-year lump sum offered by this bill, large as it may be, is enough to resolve our public school system's systemic problems, including inadequate special education, career and technical education, arts, and Hawaiian programming, along with the ongoing teacher recruitment and retention crisis. Accordingly, **we urge your committee to amend this measure to provide an additional \$250,000,000 per year to the DOE for school-level funding and to address the teacher shortage crisis.**



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Secretary-Treasurer

**Wilbert Holck**  
Executive Director

Our children deserve better. To deliver the schools our keiki deserve, the Hawaii State Teachers Association asks your committee to **support** this bill.



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

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**TESTIMONY FOR HOUSE BILL 2164, HOUSE DRAFT 1, MAKING AN  
APPROPRIATION FOR PUBLIC EDUCATION**

**House Committee on Finance  
Hon. Sylvia Luke, Chair  
Hon. Ty J.K. Cullen, Vice Chair**

**Thursday, February 22, 2018, 12:30 PM  
State Capitol, Conference Room 308**

Honorable Chair Luke and committee members:

I am Kris Coffield, representing IMU Alliance, a nonpartisan political advocacy organization that currently boasts over 400 members. On behalf of our members, we offer this testimony in support of, with proposed amendments for House Bill 2164, HD 1, making an appropriation for public education.

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 \$12,855 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.

Moreover, for the 2017-2018 school year, the Hawai'i State Department of Education report 1,011 teacher vacancies. The number of new teachers hired who have not completed a state approved teacher education program has increased from 125 for the 2011-2012 school year to 294 for the 2016-2017 school year. Over the same period, the number of teacher resignations has increased from 624 in 2011-2012 to 850 in 2015-2016, while the total number of voluntary teacher separations has increased from 934 in 2011-2012 to 1,170 in 2016-2017. In short, hundreds of teachers are leaving the workforce each year at an accelerating pace, while the DOE does not have enough trained and licensed teachers in waiting to fill the holes they leave. Accordingly, we must raise Hawai'i's last-in-the-nation teacher pay (adjusted for cost of living) as a means of addressing

the problem. Studies have shown that as teacher pay increases, so, too, does student achievement. A Stanford University study found that “raising teacher wages by 10 percent reduces high school dropout rates by 3 percent to 4 percent,” while a Florida study showed that pay raises reduced teacher attrition by as much as 25 percent for hard-to-fill subject areas, with children’s learning growth gaining from more exposure to experienced educators. Recently, the Hawai’i State Teachers Association performed a study of teacher compensation in comparison with mainland peer districts. HSTA discovered that teachers’ wages are \$4,000 to \$26,000 below that of their mainland peers. Put simply, to reduce teacher turnover, we must pay educators what they’re worth.

Yet, according to a study performed by the Department of Business, Economic Development and Tourism entitled *An Analysis of Real Property Tax In Hawai’i*, published in March of 2017, “Hawai’i’s education expenditure, as a share of combined state and local government expenditure (current operations), is 27.3 percent, which is below the U.S. average of 37.2 percent and ranks Hawai’i as the lowest in the nation.” Our state does not currently employ property taxes in any way to fund public education, with our schools instead being funded primarily through general fund revenues—\$1.61 billion of the DOE’s \$1.98 billion budget for fiscal year 2017-2018 comes from state funds. Until the Hawai’i State Constitution is amended to allow the state to levy a surcharge on visitor accommodations and residential investment properties—which we strongly support—it is imperative that lawmakers increase education funding to provide a quality learning experience to all of Hawai’i’s keiki. Accordingly, while we support the appropriation envisioned by this measure, **we urge your committee to advance funding for comprehensive, systemic improvements to our public school system by making the appropriation an annual funding increase (additional funds per year for the foreseeable future) for the department, rather than a one-year legislative add-on.**

Hawai’i’s children deserve a chance to reach for their dreams. Mahalo for the opportunity to testify in support of this bill.

Sincerely,  
Kris Coffield  
*Executive Director*  
IMUAlliance

**HB-2164-HD-1**

Submitted on: 2/21/2018 12:28:54 PM

Testimony for FIN on 2/22/2018 12:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melodie Aduja	OCC Legislative Priorities Committee, Democratic Party of Hawai'i	Support	No

Comments:





**LATE**

Testimony of

Mufi Hannemann  
President & CEO  
Hawai'i Lodging & Tourism Association

Committee on Finance  
February 22, 2018

House Bill 2164 HD1: Making an Appropriation for Public Education

Chair Luke and members of the Committee on Finance:

On behalf of the Hawai'i Lodging & Tourism Association, the state's largest private-sector visitor industry organization with nearly 700 members, thank you for the opportunity to testify regarding House Bill 2164 HD1, which calls for an appropriation of funds from the State's general revenues to the Department of Education for school-level funding.

The HLTA understands and recognizes the importance of education within our state. Our public school system has been at the heart of our quality of life for many generations of island people, giving us the tools to succeed, imparting the values of citizenship and service, and providing opportunity for all. Our educational system has continued to evolve and respond to the needs of a dynamic society, introducing new initiatives that help our young people with the skills and knowledge they need to compete and thrive.

The hospitality industry, in particular, sees the importance of school funding through the success of the tourism academies, culinary arts programs, and other learning curricula that produce experienced, motivated graduates. Toward that end, the HLTA has invested in our young people by granting more than \$55,000 yearly in scholarships to college-bound students from the public schools, in addition to awarding scholarships for students enrolled in college and sponsoring a mentorship program for travel industry management majors at our local universities. We believe in the ideals of public education and will continue to support our young people. In addition, our various HLTA chapters in every county also provide additional funding to students, high schools and community colleges on their respective islands.

The proposal to appropriate monies for school-level funding should prove very helpful to our school system, provided the money is taken from the general fund as specified in the legislation, and not from the backs of the hotel and resort industry, through the transient accommodations tax or the imposition of taxes and fees that raise the cost of doing business in Hawai'i and adversely affect our ability to compete.

Thank you.