



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

LATE

Date: 02/12/2018
Time: 02:10 PM
Location: 309
Committee: House Education

Department: Education

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

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

Purpose of Bill: Appropriates \$250,000,000 to the Department of Education for school-level funding.

Department's Position:

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

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 this magnitude. 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 the \$250,000,000 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.

DAVID Y. IGE
GOVERNOR



CATHERINE PAYNE
CHAIRPERSON

LATE

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

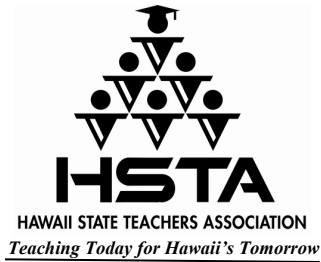
FOR: HB 2164 Relating to Education
DATE: February 12, 2018
TIME: 2:10 P.M.
COMMITTEE: House Committee on Education
ROOM: Room 309
FROM: Sione Thompson, Executive Director
State Public Charter School Commission

Chair Woodson, Vice Chair Kong, 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**, 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.



LATE

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: HB 2164 – MAKING AN APPROPRIATION FOR PUBLIC EDUCATION

MONDAY, FEBRUARY 12, 2018

COREY ROSENLEE, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

Chair Woodson and Members of the Committee:

The Hawaii State Teachers Association **supports and suggests amendments for HB 2164**, 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.**

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



LATE

Maui Hotel & Lodging
ASSOCIATION

Testimony of

Lisa H. Paulson

Executive Director

Maui Hotel & Lodging Association

on

HB 2164

MAKING AN APPROPRIATION FOR PUBLIC EDUCATION

COMMITTEE ON EDUCATION

Monday, February 12, 2018, 2:10 pm

Conference Room 309

Dear Chair Woodson, Vice Chair Kong, and Members of the Committee,

The Maui Hotel & Lodging Association (MHLA) is the legislative arm of the visitor industry. Our membership includes 185 property and allied business members in Maui County – all of whom have an interest in the visitor industry. Collectively, MHLA’s membership employs over 25,000 residents and represents over 19,000 rooms. The visitor industry is the economic driver for Maui County. We are the largest employer of residents on the Island - directly employing approximately 40% of all residents (indirectly, the percentage increases to 75%).

MHLA supports HB 2164, which appropriates \$250,000,000 to the Department of Education for school-level funding.

MHLA recognizes the importance of education within our state. We also believe in the importance of school funding through the success of tourism academies, culinary arts programs, and other learning curricula that produce experienced, motivated graduates in three of our Maui County High Schools (Baldwin, Lahainaluna and Maui High) as well as programs at UH Maui College. Toward that end, MHLA has provided a yearly average of \$20,000 in scholarships to college-bound students from our public schools, as well as for students enrolled in UH Maui College Tourism and Culinary Arts programs. We believe in supporting these students for they are our future workforce.

The proposal to appropriate \$250 million 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 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 for the opportunity to testify.



HAWAI'I LODGING & TOURISM
ASSOCIATION

LATE

Testimony of

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

before the
Committee on Education
February 12, 2018

House Bill 2164: Making an Appropriation for Public Education

Chair Woodson, Vice Chair Kong, and members of the Committee on Education:

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, which calls for an appropriation of \$250 million 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 \$250 million 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.

Mahalo.

Sincerely,



Mufi Hannemann
President & CEO



Gregg Nelson
Chairman of the Board



Glenn Vergara
Chairperson Elect



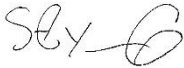
Michael Jokovich
Vice Chairperson



Bonnie Kiyabu
Oahu Chapter Chairperson



Angela Nolan
Maui Chapter Chairperson



Steve Yannarell
Hawai'i Island Chapter Chairperson



Jim Braman
Kaua'i Chapter Chairperson

The following is a list of hotels represented by the Hawai'i Lodging & Tourism Association:

Aqua-Aston Hospitality, LLC
Castle Resorts & Hotels
Colony Capital, LLC
Halekulani Corporation
Hawaiian Hotels & Resorts, LLC
Highgate Hotels
Hilton Grand Vacations
InterContinental Hotels Group
Ko Olina Resort
Kyo-ya Company LLC
Kyo-ya Management Company, Ltd.
Lucky Hotels U.S.A. Co., Ltd.
Marriott International, Inc.
Outrigger Enterprises Group
Prince Resorts Hawaii, Inc.
Pulama Lana`i
Sasada International, LLC

Aina Nalu Lahaina by Outrigger
Airport Honolulu Hotel
Ala Moana Hotel
Alohilani Resort Waikiki Beach
Ambassador Hotel Waikiki
Andaz Maui at Wailea Resort
Aqua Aloha Surf Waikiki
Aqua Bamboo & Spa
Aqua Kauai Beach Resort
Aqua Oasis
Aqua Pacific Monarch
Aqua Palms Waikiki
Aqua Park Shore Waikiki
Aqua Skyline at Island Colony
Aqua White Sands Hotel
Aston at Papakea Resort
Aston at Poipu Kai

Aston at the Executive Centre Hotel
Aston at the Maui Banyan
Aston at the Waikiki Banyan
Aston at The Whaler on Kaanapali Beach
Aston Islander on the Beach
Aston Kaanapali Shores
Aston Kona by the Sea
Aston Mahana at Kaanapali
Aston Maui Hill
Aston Maui Kaanapali Villas
Aston Shores at Waikoloa
Aston Waikiki Beach Hotel
Aston Waikiki Beach Tower
Aston Waikiki Beachside Hotel
Aston Waikiki Circle Hotel
Aston Waikiki Sunset
Aston Waikoloa Colony Villas
Aulani, a Disney Resort & Spa
Best Western Pioneer Inn
Best Western The Plaza Hotel
Breakers Hotel
Coconut Waikiki Hotel
Courtyard by Marriott Kaua'i at Coconut Beach
Courtyard by Marriott King Kamehameha's Kona Beach
Courtyard by Marriott Waikiki Beach
Courtyard Oahu North Shore
Doubletree by Hilton Alana Waikiki Hotel
Embassy Suites by Hilton Oahu Kapolei
Embassy Suites Hotel - Waikiki Beach Walk
Ewa Hotel Waikiki - A Lite Hotel
Fairmont Orchid Hawaii
Four Seasons Resort Lana`i
Four Seasons Resort Maui
Four Seasons Resort O'ahu at Ko Olina
Grand Hyatt Kauai Resort & Spa
Grand Naniloa Hotel
Grand Wailea
Hale Koa Hotel
Halekulani
Hampton Inn & Suites, Kapolei
Hapuna Beach Prince Hotel
Hilton Garden Inn Kauai Wailua Bay
Hilton Garden Inn Waikiki Beach
Hilton Grand Vacations at Waikoloa Beach Resort
Hilton Grand Vacations Club
Hilton Hawaiian Village Waikiki Beach Resort
Hilton Waikiki Beach
Hilton Waikoloa Village Resort & Spa
Hokulani Waikiki by Hilton Grand Vacations Club
Holiday Inn Express Waikiki
Holiday Inn Waikiki Beachcomber Resort
Honua Kai Resort & Spa
Hotel Coral Reef Resort
Hotel Renew by Aston
Hotel Wailea Maui
Hyatt Centric Waikiki Beach
Hyatt Place Waikiki Beach
Hyatt Regency Maui Resort & Spa
Hyatt Regency Waikiki Beach Resort & Spa
Ilikai Hotel and Luxury Suites
Ilima Hotel
Ka`anapali Beach Club
Ka`anapali Beach Hotel
Kahana Falls
Kauai Marriott Resort & Beach Club
Kiahuna Plantation Resort by Castle Resorts
Ko`a Kea Hotel & Resort
Kona Coast Resort
Lawai Beach Resort
Lotus Honolulu at Diamond Head
Luana Waikiki Hotel and Suites
Marriott's Kauai Lagoons, Kalanipu'u
Marriott's Ko Olina Beach Club
Marriott's Maui Ocean Club
Marriott's Waiohai Beach Club
Maui Beach Hotel
Maui Coast Hotel
Maui Condo & Home, LLC
Maui Eldorado Kaanapali by Outrigger
Mauna Kea Resort
Mauna Lani Resort
Mauna Loa Village IOA
Moana Surfrider, A Westin Resort & Spa
Montage Kapalua Bay
Napili Kai Beach Resort
OHANA Waikiki East by Outrigger
OHANA Waikiki Malia
Ohia Waikiki Hotel
Outrigger Kiahuna Plantation
Outrigger Napili Shores
Outrigger Palms at Wailea
Outrigger Reef Waikiki Beach Resort
Outrigger Regency on Beachwalk
Outrigger Royal Sea Cliff
Outrigger Waikiki Beach Resort
Pacific Marina Inn

Pagoda Hotel
Pearl Hotel Waikiki
Plantation Hale Suites
Prince Waikiki
Queen Kapiolani
Raintree - Kona Reef Raintree Vacation Club
Ramada Plaza Waikiki
Royal Grove Hotel
Royal Kahana Maui by Outrigger
Royal Kona Resort
Royal Lahaina Resort
Sheraton Kauai Resort
Sheraton Kona Resort & Spa at Keauhou Bay
Sheraton Maui Resort and Spa
Sheraton Princess Kaiulani
Sheraton Waikiki Resort
Shoreline Hotel Waikiki
St. Regis Princeville Resort
Stay Hotel Waikiki
The Cliffs at Princeville
The Club at Kukui`ula
The Fairmont Kea Lani, Maui
The Imperial Hawaii Resort At Waikiki
The Kahala Hotel & Resort
The Laylow, Autograph Collection

The MODERN Honolulu
The New Otani Kaimana Beach Hotel
The Point at Poipu, Diamond Resorts International
The Ritz-Carlton Residences, Waikiki Beach
The Ritz-Carlton, Kapalua
The Royal Hawaiian, A Luxury Collection Resort
The Surfjack Hotel & Swim Club
The Westin Maui Resort & Spa
The Westin Princeville Ocean Resort Villas
Travaasa Hana
Trump International Hotel Waikiki
Turtle Bay Resort
Vive Hotel Waikiki
Waikiki Beach Marriott Resort & Spa
Waikiki Grand Hotel
Waikiki Parc Hotel
Waikiki Resort Hotel
Waikiki Sand Villa Hotel
Waikiki Shore
Waikoloa Beach Marriott Resort & Spa
Wailea Beach Marriott Resort & Spa
Waipouli Beach Resort & Spa by Outrigger
Westin Ka'anapali Ocean Resort Villas
Wyndham at Waikiki Beach Walk
Wyndham Vacation Resorts Royal Garden at Waikiki

LATE

HB-2164

Submitted on: 2/9/2018 2:44:55 PM

Testimony for EDN on 2/12/2018 2:10:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	OCC Legislative Priorities	Support	No

Comments:

**PRESENTATION OF THE
OAHU COUNTY COMMITTEE ON LEGISLATIVE PRIORITIES**

DEMOCRATIC PARTY OF HAWAII

TO THE COMMITTEE ON EDUCATION

THE HOUSE OF REPRESENTATIVES

TWENTY-NINTH LEGISLATURE

REGULAR SESSION OF 2018

Monday, February 12, 2018

2:10 p.m.

Hawaii State Capitol, Conference Room 309

FOR **RE: Testimony in Support** of HB 2164, MAKING AN APPROPRIATION
PUBLIC EDUCATION

To the Honorable Justin H. Woodson, Chair; the Honorable Sam Satoru Kong, Vice-Chair and the Members of the Committee on Education:

Good afternoon, my name is Melodie Aduja. I serve as Chair of the Oahu County Legislative Priorities Committee of the Democratic Party of Hawaii. Thank you for the opportunity to provide written testimony on House Bill No. 2164, relating to school-level funding for the Department of Education.

The OCC Legislative Priorities Committee is in favor of House Bill No. 2164 and support its passage.

House Bill No.2164 is in alignment with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it appropriates \$250,000,000 to the Department of Education for school-level funding.

The DPH Platform states that the "[w]e believe that the future of our state, as well as our country, depends upon an educated and knowledgeable citizenry. We support the prioritization of our resources toward providing quality public education and library services to every student, regardless of learning capacity or ability to pay, in an environment conducive to the learning process. These resources shall be made available at every level, from pre-school through higher education, including life-long learning." (Platform of the DPH, P. 6, Lines 296-300 (2016)).

We believe a major role of education is to develop critical and creative thinkers who are knowledgeable about issues and able to evaluate and solve real-world problems. The curriculum also should emphasize cultural learning, the arts, career and trade skills, and physical education so that we may preserve our health and rich cultural history. A variety of learning strategies should be used, including, group projects, cooperative learning, discussion, games and technological innovations. (Platform of the DPH, P. 6, Lines 310-314 (2016)).

Given that House Bill No. 2164 provides for school-level funding for the Department of Education, it is the position of the OCC Legislative Priorities Committee to support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ **Melodie Aduja**

Melodie Aduja, Chair, OCC Legislative Priorities Committee

Email: legislativepriorities@gmail.com, Tel.: (808) 258-8889

LATE



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

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

**House Committee on Education
Hon. Justin H. Woodson, Chair
Hon. Sam Satoru Kong, Vice Chair**

**Monday, February 12, 2018, 2:10 PM
State Capitol, Conference Room 309**

Honorable Chair Woodson 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, 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 significant appropriation envisioned by this measure, **we urge your committee to advance funding for comprehensive, systemic improvements to our public school system by making the \$250,000,000 appropriation an annual funding increase 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