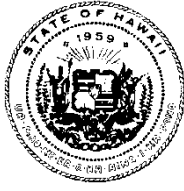


DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
EXECUTIVE DIRECTOR

**STATE OF HAWAII**

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM  
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION  
677 QUEEN STREET, SUITE 300  
Honolulu, Hawaii 96813  
FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of  
**Craig K. Hirai**  
Hawaii Housing Finance and Development Corporation  
Before the

**SENATE COMMITTEE ON WAYS AND MEANS**

February 28, 2018 at 11:00 a.m.  
State Capitol, Room 211

In consideration of  
**S.B. 2278, S.D. 1**  
**RELATING TO TEACHER HOUSING.**

HHFDC ***appreciates the intent*** of S.B. 2278, S.D. 1, provided that its passage does not replace or adversely impact priorities indicated in our Executive Supplemental budget request. We concur with the Committees on Housing and Education's committee report on this measure that the Department of Education should be considered as the appropriate place for the proposed teacher home assistance program.

Thank you for the opportunity to provide written comments on this bill.



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

**Date:** 02/28/2018  
**Time:** 11:00 AM  
**Location:** 211  
**Committee:** Senate Ways and Means

**Department:** Education

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

**Title of Bill:** SB 2278, SD1 RELATING TO TEACHER HOUSING.

**Purpose of Bill:** Establishes the teacher home assistance program to be administered by the Hawaii Housing Finance and Development Corporation to provide housing vouchers to full-time teachers employed by the department of education, including teachers at public charter schools, who teach in a hard-to-fill school, as determined by the department of education, and whose household income does not exceed eighty per cent of the area median income. Appropriates funds. (SD1)

**Department's Position:**

The Department of Education (Department) supports the intent of SB 2278, SD 1.

This bill aligns with Goal 2 of the Department's Strategic Plan of focusing on increasing the pipeline of new teachers coming into the profession, and increasing teacher retention rates. If teachers stayed longer in the profession, there would be less vacancies to fill. Housing subsidy vouchers can be a tool to increase the Department's teacher retention, especially in hard-to-fill geographic areas. The financial assistance provided through the voucher program would help to ease some of the financial burden due to the high cost of living in the state. According to a 2016 report by the Learning Policy Institute, housing incentives was one factor that had teachers who left the profession consider returning.

The Department also notes that hard-to-fill schools may also employ half-time teachers. Based on the proposed language, only those individuals working as full-time (1.0 FTE) teachers would be eligible for the home assistance program.

Lastly, the Department offers a comment to amend language in Section 2, §201H -, (c) as follows:

"Housing vouchers shall be provided on a first-come, first-served basis. Each housing voucher shall not exceed \$500 per month for as long as the qualified teacher is employed by the department of education, including teachers at public charter schools, in a hard-to-fill school as

determined by the department of education, and resides in this State.”

Please note that teachers at public charter schools are employed by the schools’ local school boards and are not employed by the department of education.

Thank you for this opportunity to provide testimony.

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).



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February 26, 2018

Senate Committee on Ways and Means  
Wednesday, February 28, 2018, 11:00AM  
Conference Room 211

**SB2278, SD1 – Relating to Teacher Housing**

Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran, and Committee Members:

I am submitting testimony on behalf of Hawaiian Community Assets (HCA), the State's largest HUD-approved housing counseling agency to **STRONGLY SUPPORT SB2278, SD1.**

SB2278, SD1 would establish the teacher home assistance program at the Hawaii Housing Finance and Development Corporation to provide housing vouchers to full-time teachers employed by the department of education, including teachers at public charter schools, who teach in a hard-to-fill school, as determined by the department of education, and whose household income does not exceed eighty per cent of the area median income.

During the 2015 Session, the State Legislature passed Act 127 which mandates the State of Hawaii to build 22,500 affordable housing units for our low- and moderate-income residents by 2026. This amounts to investing in 2,250 units per year. Unfortunately, according to the Hawaii Housing Finance and Development Corporation's 2017 report to the State Legislature, Rental Housing Trust funds were awarded for the development of only 326 affordable units in the 2016 calendar year. Without increasing our investment in the development of affordable rental housing through bills such as SB2421, it would take the State 95 years to meet the mandate set in place by Act 127. Meanwhile, our local teachers would continue to struggle to find stable, affordable housing creating uncertainty for our children, families, and missed opportunity for our state economy.

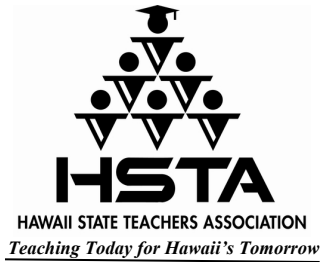
With the highest homeless rate per capita and some of the highest housing cost burdens of any state in the nation, we cannot wait any longer to make the necessary investments in affordable housing. SB2278, SD1 would help us increase our investment in affordable housing for teachers so we can retain the talent we need to educate our children and future generations to come. Please take action to increase affordable housing for our teachers. **Pass SB2278, SD1.**

Mahalo for your time, leadership and consideration. Please contact me directly at 808.587.7653 or [jeff@hawaiiancommunity.net](mailto:jeff@hawaiiancommunity.net) should you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink that reads "Jeff Gilbreath". The signature is written in a cursive, flowing style.

Jeff Gilbreath  
Executive Director



1200 Ala Kapuna Street ♦ Honolulu, Hawaii 96819  
Tel: (808) 833-2711 ♦ Fax: (808) 839-7106 ♦ Web: www.hsta.org

Corey Rosenlee  
President  
Justin Hughey  
Vice President  
Amy Perruso  
Secretary-Treasurer  
Wilbert Holck  
Executive Director

TESTIMONY BEFORE THE SENATE COMMITTEE ON  
WAYS AND MEANS

RE: SB 2278, SD 1 - RELATING TO TEACHER HOUSING

WEDNESDAY, FEBRUARY 28, 2018

COREY ROSENLEE, PRESIDENT  
HAWAII STATE TEACHERS ASSOCIATION

Chair Dela Cruz and Members of the Committee:

The Hawaii State Teachers Association **strongly supports SB 2278, SD 1,** relating to teacher housing.

Hawai'i continues 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. As we have noted to the Board of Education at previous hearings, 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 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.

Financial incentives are a key strategy for the recruitment and retention of teachers, particularly given that Hawai'i's teacher salaries continue to trail the nation when adjusted for cost of living. To recruit and retain effective educators, policymakers must find ways to lessen the financial burden of being a public school teacher. Establishing a housing voucher program is a good first step. In the islands, where new housing rarely becomes available, the percentage of renters who face

cost burdens—financial handicaps incurred by people spending over 30 percent of their income on housing—is roughly 57 percent, according to the National Low Income Housing Coalition. Many of those cash-strapped renters are state educators, who are chronically underpaid. To make ends meet, many teachers are forced to pick up second and third jobs, live in cramped studio apartments, and cut back on necessities like medical care. Thus, a housing voucher program would assist teachers in attaining sustainable and stable residency, while staving off crushing debt burdens. It would also make the teaching profession more attractive by increasing educators' purchasing power through the subsidization of rent and mortgages in the state with the nation's highest housing costs.

To take care of the needs of Hawai'i's hardworking teachers, the Hawaii State Teachers Association asks your committee to **support** this bill.

**SB-2278-SD-1**

Submitted on: 2/26/2018 2:28:17 PM

Testimony for WAM on 2/28/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for OCC Legislative Priorities Committee, Democratic Party of Hawai'i	Support	No

Comments:

**PRESENTATION OF THE  
OAHU COUNTY COMMITTEE ON LEGISLATIVE PRIORITIES  
DEMOCRATIC PARTY OF HAWAI'I  
TO THE COMMITTEE ON WAYS AND MEANS  
THE SENATE  
TWENTY-NINTH LEGISLATURE  
REGULAR SESSION OF 2018  
Wednesday, February 28, 2018  
11:00 A.M.**

Hawaii State Capitol, Conference Room 211

RE: Testimony in Support of **SB2278 SD1**, RELATING TO TEACHER HOUSING

To the Honorable Donovan M. Dela Cruz, Chair; the Honorable Gilbert S.C. Keith-Agaran, Vice-Chair, and Members of the Committee on Finance:

Good morning, my name is Melodie Aduja. I serve as Chair of the Oahu County Committee ("OCC") Legislative Priorities Committee of the Democratic Party of Hawaii ("DPH"). Thank you for the opportunity to provide written testimony on Senate Bill No. **2278 SD1** relating to the Hawaii Housing Finance and Development Corporation's administration of the Teacher Home Assistance Program.

The OCC Legislative Priorities Committee is in support of Senate Bill No. **2278 SD1** and is in favor of its passage.

Senate Bill No. **2278 SD1** is in accord with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it establishes the teacher home assistance program to be administered by the Hawaii Housing Finance and Development Corporation to provide housing vouchers to full-time teachers employed by the department of education, including teachers at public charter schools, who teach in a hard-to-fill school, as determined by the department of education, and whose household income does not exceed eighty percent of the area median income.

Specifically, the DPH Platform provides that "[e]ducation shall be respected as a valuable resource and those pursuing a profession in education shall be compensated with a competitive wage based on national standards while taking into consideration the state's cost of living. We support hiring the most qualified individuals to be teachers and administrators for our educational system. We also support the value the universities and colleges that prepare educators and provide advanced degrees." (Platform of the DPH, P. 6, Lines 310-316 (2016)).

Given that Senate Bill No. **2278 SD1** establishes the Teacher Home Assistance Program, 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





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

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**TESTIMONY FOR SENATE BILL 2278, SENATE DRAFT 1, RELATING TO  
TEACHER HOUSING**

**Senate Committee on Ways and Means  
Hon. Donovan M. Dela Cruz, Chair  
Hon. Gilbert S.C. Keith-Agaran, Vice Chair**

**Wednesday, February 28, 2018, 11:00 AM  
State Capitol, Conference Room 211**

Honorable Chair Dela Cruz and committee members:

I am Kris Coffield, representing IMUAlliance, a nonpartisan political advocacy organization that currently boasts over 400 members. On behalf of our members, we offer this testimony in strong support of Senate Bill 2278, SD 1, relating to teacher housing.

Hawai'i residents face the highest housing costs in the nation, at more than twice the national average. Researchers who authored the National Low Income Housing Coalition's *Out of Reach 2017* report found that a full-time worker would need to earn \$35.20/hour to afford a two-bedroom apartment at fair market value in our state, with Honolulu experiencing a 67 percent increase in fair market rent between 2005 and 2015. Average rent for a two-bedroom unit surpassed \$2,000 in recent years, with minimum wage workers needing to log 116 hours per week to afford a modest one-bedroom apartment at fair market value and 139 hours per week to afford a two-bedroom—a number that is equivalent to working 20 hours a day with no days off year-round. In the past three years alone, Honolulu rent has increased by more than 25 percent. While 43 percent of Hawai'i residents are renters (a number that does not include individuals and families renting outside of the regulated rental market), they earn an average wage of \$15.64/hour, scarcely enough to meet their basic needs. One out of every four households in Hawai'i report that they are “doubling up” or are three paychecks or less away from being homeless, per the Hawai'i Appleseed Center for Law and Economic Justice. Additionally, 54 percent of households are cost-burdened, meaning that they pay more than 30 percent of their income for housing costs, a number that rises to 83 percent of extremely low-income households. Homelessness is directly tied to our state's exorbitant cost of living and penchant for catering to people who use the islands as their own private Monopoly board. We beseech you to seek innovative ways of making Hawai'i more affordable for our economically disadvantaged neighbors, too many of whom are teachers.

Our state's cost of housing has skyrocketed over the last decade, leaving many families searching for affordable alternatives, in shelters, or on the streets. For context, the median price of condominiums on O'ahu increased 6 percent in the summer of 2017 to a record \$425,000, while the median price for single-family homes increased by 3 percent to \$795,000, according to the Honolulu Board of Realtors, a number that they expect to increase by at least another 5 percent in 2018. Average fair market rent for two-bedroom apartments in *outlying* communities in the City and County of Honolulu now exceeds \$2,000, with the cost of a four-bedroom home in urban Honolulu now exceeding \$1.1 million. At least 43 percent of residences in Hawai'i are owner unoccupied, according to the National Low-Income Housing Coalition, meaning that nearly 50 percent—and by some estimates over half—of Hawai'i's homes are likely investment properties.

At the same time, 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. The culprit for our state's escalating teacher shortage crisis? Primarily, Hawai'i's last-in-the-nation teacher pay (adjusted for cost of living). Inasmuch as a teacher housing program provides a financial benefit tantamount to raising teacher pay, it is worth noting that 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. When we don't, they simply can't afford to create a life in the islands.

The time for deliberation is over. It's time to act. Experts at DBEDT now estimate that Hawai'i needs 66,000 new housing units by the year 2025 to keep up with demand, more than 80 percent of which is needed to meet the demand of people who qualify for affordable housing—which the many of Hawai'i's teachers do, even at the 80 percent of area median income threshold articulated in this proposal. **In Honolulu, 80 percent of AMI for a single person equates to \$58,640, according to the Hawai'i Housing Finance and Development Corporation, which is almost exactly equivalent to the average salary of Hawai'i's public school teachers.** Yet, for every 100 extremely low-income renters on O'ahu, there exist only 40 affordable rentals, according to the Urban Institute, of which only 11 are "naturally affordable," meaning they are

affordable without federal subsidies. Though our state is committed to a goal of building 22,500 affordable rental housing units in the next 10 years, figures from the Hawai'i Housing Finance and Development Corporation show that in 2015 and 2016, we added only approximately 1,000 affordable rental units to our state's inventory, with further plans finalized for a mere 3,240 more affordable rentals by 2022, not nearly enough to meet the needs of our state's hardworking families.

Teachers need housing now. Mahalo for the opportunity to testify in support of this bill.

Sincerely,  
Kris Coffield  
*Executive Director*  
IMUAlliance



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Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Senate Ways & Means Committee,

On behalf of the nearly 600 registered members of the Young Progressives Demanding Action – Hawai‘i, I would like to express **strong support** for SB2278 SD1.

This bill would establish the teacher home assistance program at the Hawai‘i Housing Finance and Development Corporation to provide housing vouchers to full-time teachers employed by the department of education, including teachers at public charter schools, who teach in a hard-to-fill schools, as determined by the department of education, and whose household income does not exceed 80 percent of the area median income.

During the 2015 Session, the State Legislature passed Act 127 which mandates the State of Hawai‘i to build 22,500 affordable housing units for our low- and moderate-income residents by 2026. This amounts to investing in 2,250 units per year. Unfortunately, according to the Hawai‘i Housing Finance and Development Corporation’s 2017 report to the State Legislature, Rental Housing Trust funds were awarded for the development of only 326 affordable units in the 2016 calendar year. Without increasing our investment in the development of affordable rental housing through bills such as SB2421, it would take the State 95 years to meet the mandate set in place by Act 127. Meanwhile, our local teachers would continue to struggle to find stable, affordable housing creating uncertainty for our children, families, and missed opportunity for our state economy.

With the highest homeless rate per capita and some of the highest housing cost burdens of any state in the nation, we cannot wait any longer to make the necessary investments in affordable housing. SB2278, SD1 would help us increase our investment in affordable housing for teachers so we can retain the talent we need to educate our children and future generations to come. Please take action to increase affordable housing for our teachers. Pass SB2278, SD1.

Mahalo,

Will Caron  
Social Justice Action Committee Chair  
Young Progressives Demanding Action – Hawai‘i

**SB-2278-SD-1**

Submitted on: 2/26/2018 7:12:23 AM

Testimony for WAM on 2/28/2018 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Randy Ching	Individual	Support	No

Comments:

Chair Dela Cruz, Vice Chair Keith-Agaran and members of the committee,

I support SB2278 SD1. When I started teaching in the DOE at Waianae High School in the mid 1980's, I asked about teacher cottages. None were available because they had torn down the last ones years before.

Teachers need housing like everyone else. If we can provide it at an affordable price, we can help staff schools which find it hard to attract teachers. Please pass this bill.

Thank you for the opportunity to testify.

Randy Ching / Honolulu

**SB-2278-SD-1**

Submitted on: 2/26/2018 6:45:59 PM

Testimony for WAM on 2/28/2018 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Javier Mendez-Alvarez	Individual	Support	No

Comments: