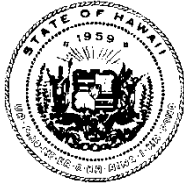


DAVID Y. IGE  
GOVERNOR



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

**HOUSE COMMITTEE ON HOUSING  
HOUSE COMMITTEE ON EDUCATION**

March 15, 2018 at 10:10 a.m.  
State Capitol, Room 423

In consideration of  
**S.B. 2278, S.D. 2**  
**RELATING TO TEACHER HOUSING.**

HHFDC ***appreciates the intent*** of S.B. 2278, S.D. 2, provided that its passage does not replace or adversely impact priorities indicated in our Executive Supplemental budget request. However, we believe 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 testify.



**LATE**

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

**Date:** 03/15/2018  
**Time:** 10:10 AM  
**Location:** 423  
**Committee:** House Housing  
House Education

**Department:** Education

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

**Title of Bill:** SB 2278, SD2 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 at a hard-to-fill school, as determined by the Department of Education, and whose household income does not exceed 80% of the area median income. Appropriates funds. Effective 7/1/2050. (SD2)

**Department's Position:**

The Department of Education (Department) strongly supports SB 2278, SD 2, and defers to the Hawaii Housing Finance and Development Corporation for implementation concerns, with input from the Department and State Public Charter School Commission.

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.

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).



## KAMEHAMEHA SCHOOLS®

House Committees on Housing and Education

Time: 10:10 a.m.

Date: March 15, 2018

Where: State Capitol Room 423

### TESTIMONY

By Ka'ano'i Walk  
Kamehameha Schools

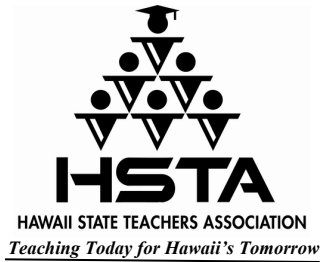
**RE: SB 2278, SD2, Relating to Teacher Housing**

E nā Luna Ho'omalū Brower a me Woodson, nā Hope Luna Ho'omalū Nakamura a me Kong, a me nā Lālā o kēia mau Kōmike a 'elua o ka Hale o nā Lunamaka'āinana, aloha! My name is Ka'ano'i Walk and I serve as the Senior Policy Analyst of the Kūamahi Community Education Division of Kamehameha Schools.

We are writing to **support** SB 2278, SD2, relating to teacher housing, which establishes the teacher home assistance program to be administered by 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 at 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. It also appropriates funds. This bill is an important step toward addressing Hawai'i's teacher shortage and providing much needed housing solutions for public education teachers.

Founded in 1887, Kamehameha Schools is an organization striving to advance a thriving Lāhui where all Native Hawaiians are successful, grounded in traditional values, and leading in the local and global communities. We believe that community success is individual success, Hawaiian culture-based education leads to academic success and local leadership drives global leadership.

'A'ohē hana nui ke alu 'ia. No task is too large when we all work together! Mahalo nui.



**LATE**

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 HOUSE COMMITTEES ON  
HOUSING AND EDUCATION

RE: SB 2278, SD 2 - RELATING TO TEACHER HOUSING

THURSDAY, MARCH 15, 2018

COREY ROSENLEE, PRESIDENT  
HAWAII STATE TEACHERS ASSOCIATION

Chair Brower, Chair Woodson, and Members of the Committees:

The Hawaii State Teachers Association **strongly supports SB 2278, SD 2,** 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-2**

Submitted on: 3/14/2018 9:49:01 AM

Testimony for HSG on 3/15/2018 10:10:00 AM

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

Comments:

To the Honorable Tom Brower, Chair; the Honorable Nadine K. Nakamura, Vice-Chair, and Members of the House Committee on Housing:

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

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 **SB2278 SD2** relating to the Teacher Home Assistance Program; Hawaii Housing Finance and Development Corporation; and an appropriation.

The OCC Legislative Priorities Committee is in support of **SB2278 SD2** and is in favor of its passage.

**SB2278 SD2** 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 at a hard-to-fill school, as determined by the Department of Education, and whose household income does not exceed 80% of the area median income; and appropriates funds.

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 **SB2278 SD2** 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 at a hard-to-fill school, as determined by the Department of Education, and whose household income does not exceed 80% of the area median income; and appropriates funds, 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](mailto: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 2, RELATING TO  
TEACHER HOUSING**

**House Committee on Housing  
Hon. Tom Brower, Chair  
Hon. Nadine K. Nakamura, Vice Chair**

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

**Thursday, March 15, 2018, 10:10 AM  
State Capitol, Conference Room 423**

Honorable Chair Brower, Chair Woodson, 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 2, 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



49 South Hotel Street, Room 314 | Honolulu, HI 96813  
www.lwv-hawaii.com | 808.531.7448 | voters@lwv-hawaii.com

**LATE**

COMMITTEE ON HOUSING  
AND  
COMMITTEE ON EDUCATION

Thursday, March 15, 2018, 10:10 am, Conference Room 423  
SB 2278, SD2, RELATING TO TEACHER HOUSING

**TESTIMONY**

Janet Mason, Legislative Committee, League of Women Voters of Hawaii

Chair Brower, Vice-Chair Nakamura, and Committee Members,

Chair Woodson, Vice-Chair Satoru Kong, and Committee Members

The League of Women Voters Hawaii offers the following comments to SB 2278, SD2:

**League of Women Voters Hawaii opposes SB 2278, SD2 that would authorize the Hawaii Housing Finance and Development Corporation to establish a housing voucher program for full-time classroom teachers employed by the Department of Education including a public charter school and who teach at a hard to fill school, as determined by the Department of Education, and whose household income does not exceed 80% of the area median income. The proposed bill appropriates funds.**

The League respectfully offers the following comments. We agree that teachers are often unable to meet the high cost of living in Hawaii. We understand as well that there is a teacher shortage and support for measures to hire and retain quality teachers for Hawaii's keiki. However, Hawaii's teachers have a union whose stated mission is to advocate for them. This process is accomplished through collective bargaining and we believe that what amounts to an annual bonus of \$6,000 per year per full time teacher, as described in SB 2278, SD2, should be attained through collective bargaining.

League is also concerned that the housing voucher funding source is to be appropriated out of the general revenues of the state. This money will come from the public, and this means that the entire public, including other public employees would be paying for vouchers being issued to a favored group. Since other public employees are not receiving a housing voucher, this would imply inequitable treatment for all public employees. It adds to the discrimination when public employees are forced to pay for a benefit or bonus for which they are not entitled. Other public employees are faced with the same high cost of living as the teacher pool and are entitled to a share of this kind of public money should it become available.

Thank you for the opportunity to submit testimony.

**SB-2278-SD-2**

Submitted on: 3/13/2018 2:39:56 PM

Testimony for HSG on 3/15/2018 10:10:00 AM

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

Comments:

As a retired educator in Hawai'i, I believe that it is important to assist our educators in any way that is possible. In providing support for housing, this gives one additional support so that teachers can focus on their students and not on two part time jobs. This being said, the process should not be cumbersome nor should it be left to the DOE who already has more challenges than it can manage.

**SB-2278-SD-2**

Submitted on: 3/13/2018 3:33:52 PM

Testimony for HSG on 3/15/2018 10:10:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Ann S Freed	Individual	Support	No

Comments:

Aloha Chair Brower, Vice Chair Nakamura and members,

This is such a good idea. Mahalo to the makers of this measure. It has my full support.

**SB-2278-SD-2**

Submitted on: 3/15/2018 9:35:17 AM

Testimony for HSG on 3/15/2018 10:10:00 AM



Submitted By	Organization	Testifier Position	Present at Hearing
David Z. Arakawa	Land Use Research Foundation of Hawaii	Comments	No

Comments:

The Land Use Research Foundation of Hawaii (LURF) provides the following **COMMENTS and PROPOSED AMENDMENTS in SUPPORT of the intent of SB 2278, SD2**, Relating to the Teacher Housing, which would establish 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 (DOE), including teachers at public charter schools, who teach at a hard-to-fill school, as determined by the DOE, and whose household income does not exceed 80% of the area median income; appropriates funds. This measure would be effective on 7/1/2050.

**LURF's Position.** The DOE is poised to implement a new School Impact Fee of \$3,864 for every housing unit built in the areas of Ala Moana to Kalihi. The purpose of the new school impact fees is to acquire new lands and to assist with the costs of building new schools for those areas. These new school impact fees will increase the cost of housing for public school teachers in these areas.

Act 155 (2013) was passed to identify and develop underutilized DOE lands and school sites to obtain revenue and lands for new schools, 21st Century Schools, and opportunities and sites for public school teacher housing. At this time, the DOE is in the process of identifying the possible Act 155 sites.

It is inconsistent for the DOE to impose school impact fees to buy land and pay for construction for new school facilities, when it is also pursuing Act 155 (2013), which will identify underutilized DOE lands and school sites

LURF respectfully proposes the following AMENDMENTS:

- The DOE shall complete a comprehensive strategic plan for Act 155 (2013), which includes opportunities for public school teacher housing.
- The DOE and Legislature should DEFER the implementation of school impact fees from Ala Moana to Kalihi, until complete a comprehensive strategic plan for Act 155 (2013), which includes public school teacher housing.

For the reasons set forth above, LURF respectfully requests your favorable consideration of this measure, with LURF's proposed amendments.

Thank you for the opportunity to provide **COMMENTS and PROPOSED AMENDMENTS in SUPPORT** of SB 2278, SD2. Please feel free to contact executive Director, David Arakawa, if there are any questions.