

DAVID Y. IGE
GOVERNOR



LAUREL A. JOHNSTON
DIRECTOR

KEN N. KITAMURA
ACTING DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE**

P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY

TESTIMONY BY LAUREL A. JOHNSTON
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
SENATE BILL NO. 2383, S.D. 2, H.D. 1

**March 28, 2018
2:00 p.m.
Room 308**

RELATING TO EDUCATION

Senate Bill No. 2383, S.D. 2, H.D. 1, amends Section 302A-706, HRS, to include both public school teachers and school psychologists in the National Certification Incentive Program established within the Department of Education (DOE). Furthermore, the measure specifies that the funds necessary to pay for teacher incentive programs, bonuses, and other compensation required by law or collective bargaining beyond regular wages, shall not be paid out of a charter school's facilities funding or per pupil funding. The measure indicates that the funding requests for these amounts for each charter school shall be a separate line item in the General Appropriations Act and the Supplemental Appropriations Act. The measure also makes an unspecified general fund appropriation for Supplemental FY 2019.

The Department of Budget and Finance provides the following comments. If enacted, the measure would provide the public charter schools with additional funding for items that DOE public schools are not currently allocated. The DOE currently absorbs most of the costs for incentive programs, bonuses, and other compensation within its appropriated budget.

The measure also provides for an additional \$5,000 bonus annually under a new subparagraph, 302A-706(a)(5). However, it is unclear if this is meant to provide an additional bonus amount over and beyond what is currently provided by statute -or- to continue the bonus for eligible teachers and school psychologists identified under 302A-706(a)(4) even though the school that the teacher or school psychologist is employed at no longer meets the criteria under 302A-706(a)(4).

On a technical matter, under Section 3, only a single unspecified amount is being proposed for appropriation, and it is unclear how much of that may be specifically intended for each of the three groups identified: public school teachers, public charter school teachers, and school psychologists.

It should be noted that House Bill No. 1900, H.D. 1, the Supplemental Appropriations Act for FY 2019, recommends additional funding of \$904,384 for hard-to-staff incentives for the DOE schools.

Thank you for your consideration of our comments.

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

FOR: SB 2383 SD2 HD1 Relating to Education
DATE: March 28, 2018
TIME: 2:00 P.M.
COMMITTEE: House Committee on Finance
ROOM: Room 308
FROM: Sione Thompson, Executive Director
State Public Charter School Commission

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 SB 2383 SD2 HD1**, specifically section 2 of the measure which provides teacher incentive funds as a separate budgetary appropriation for public charter schools. This proposed amendment to the charter school law, Chapter 302D, HRS, would allow for a permanent solution that would fully fund teacher incentive pay for charter school teachers who teach in hard-to-staff areas and charter school teachers who have earned National Board certification.

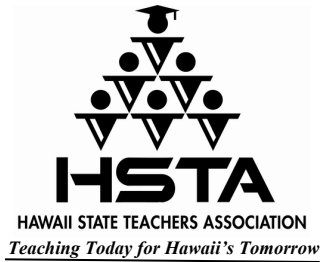
The current Master Agreement between the Board of Education and the Hawaii State Teachers Association requires that teachers in specific geographic areas designated as hard-to-staff be paid an annual differential of \$3,000. For the previous school year, funding of \$567,473 was provided to over 200 teachers in nine charter schools designated as being in hard-to-staff areas.

National Board Certified teachers represent another group of teachers charter schools are required to provide an incentive to. Section 302A-706, HRS, establishes the teacher national board certification incentive program which provides a \$5,000 bonus to teachers who maintain national board certification. Incentives are also provided for completion of the certification program and an additional \$5,000 is provided to national board certified teachers who teach at a designated hard-to-staff area.

For the 2017-2018 school year, there are twenty teachers in twelve charter schools who have current national board certification. Of these twenty teachers, six teachers work in charter schools designated hard-to-fill, making each teacher eligible for at least a \$10,000 incentive payment. Funding of \$137,000 is needed to cover the National Board Certification incentive for this school year; this funding includes \$7,000 for two charter school teachers who completed the certification process this school year.

The Commission also appreciates the efforts of the Legislature in providing a permanent solution to this funding challenge through the amendment to Section 302D-28, HRS, proposed in this measure. The Commission looks forward to collaborating with this committee and the Legislature as a whole in advancing this important legislation.

Thank you for the opportunity to provide this testimony.



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 COMMITTEE ON
FINANCE

RE: SB 2383, SD 2, HD 1 - RELATING TO EDUCATION

WEDNESDAY, MARCH 28, 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 SB 2383, SD 2, HD 1**, relating to education.

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. This bill amends HRS §302A-706 to include school psychologists within Hawai'i's national board certification incentive program, providing them with a bonus for achieving and maintaining national board

certification and an additional bonus for working in a low performing, high-turnover, or hard-to-fill school. The measure also updates the school accountability categories contained in HRS §302A-706 to match the Hawai'i State Department of Education newly implemented STRIVE HI 3.0 school accountability system and extends the additional bonus to cover teachers and school psychologists whose schools improve over time, thereby ensuring that hardworking professionals are not penalized for generating positive results.

National board certified educators are critical to increasing learning growth. As the National Board for Professional Teaching Standards states, national board certified teachers shape the profession that shapes our society's future. Created by teachers, for teachers, national board certification is widely viewed as the gold standard of teaching certification, with the same being respectively true for national board certified school psychologists. Research shows that national board certified teachers excel in the classroom, with the students taught by NBCTs showing evidence of deeper learning at three times the rate of their peers, according to a 2008 study published in *Advances in Program Evaluation*.

National board certified education professionals are, therefore, critical to raising graduation rates, setting and meeting rigorous performance goals, and bridging achievement gaps. A study performed by Stanford sociologist Sean Reardon found that the "rich-poor gap" in math and reading test scores is roughly 40 percent larger now than it was 30 years ago. Given our chronic resource shortage, demographic inequalities, and low pay experienced by educators working in high-need and economically impaired areas, it is imperative that policymakers take steps to incentivize the pursuit of professional excellence and reward quality educators, without whom scholastic progress would be jeopardized.

Accordingly, to address the critical teacher churn crisis in high-poverty schools and ensure our most socioeconomically vulnerable students are taught by quality educators, we urge you to extend the additional \$5,000 bonus contained in subsection HRS §302A-706(a)(4) and proposed subsection HRS §302A-706(a)(5) to all national board certified teachers and school psychologists working in Title I schools, which are schools with high percentages of children from low-income families.

Teachers and school psychologists should be better compensated for boosting student and school performance. Accordingly, the Hawaii State Teachers Association asks your committee to **support** this bill.



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

LATE

Date: 03/28/2018
Time: 02:00 PM
Location: 308
Committee: House Finance

Department: Education

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

Title of Bill: SB 2383, SD2, HD1 RELATING TO EDUCATION.

Purpose of Bill: Authorizes payment of National Certification Incentive bonuses to school psychologists. Amends provisions for bonuses for teachers and school psychologists at targeted, high-turnover, and hard-to-fill schools, including such schools that have improved so as to lose that designation. Amends general fund per-pupil funding calculation to exclude bonuses, incentives, and payments beyond regular wages and requires separate budget line items for these costs. Appropriates funds for public and charter school bonuses. (SB2383 HD1)

Department's Position:

The Department of Education supports the overall concept of SB 2383, SD 2, HD 1 as it includes initiatives supportive of our goals and objectives. SB 2383, SD 2, HD 1 seeks to expand the current National Board Certification Incentive Program pursuant to Section 302A-706, Hawaii Revised Statutes (HRS), to include school psychologists. This bill proposes a \$5,000 annual incentive payment to any school psychologist who obtains the appropriate certification along with an additional \$5,000 incentive (for a total of \$10,000 annually) if certain other conditions are met.

Employee compensation is more appropriately the subject of collective bargaining rather than legislation. However, if the proposed bill were to be enacted, or any expansion of eligibility for the National Board Certification Incentive Program were to occur, the Department would require additional funding to cover the additional annual costs.

As to the conditions for the additional \$5,000 incentive, specified in Section 1, (4)(a) and (5), we note that school psychologists are currently employed by the district/complex area level versus being assigned to a specific school.

Finally, in regards to the proposed amendment to Section 302D-28, the Department supports the intent of having the funding request for teacher incentive programs, bonuses, and other compensation required by law or collective bargaining beyond regular wages for public charter schools being a separate line item in the general appropriations act and supplemental appropriations act.

Thank you for the opportunity to testify on SB 2383, SD 2, HD 1.

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.