

DAVID Y. IGE  
GOVERNOR



LAUREL A. JOHNSTON  
DIRECTOR

KEN N. KITAMURA  
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 SENATE COMMITTEE ON WAYS AND MEANS  
ON  
SENATE BILL NO. 2383, S.D. 1

**February 23, 2018  
11:00 a.m.  
Room 211**

**RELATING TO EDUCATION**

Senate Bill No. 2383, S.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 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, the Executive Supplemental Appropriations Act for FY 2019, recommends additional funding as follows:

For Charter Schools -- \$95,000 for national board-certified teacher incentives and \$667,050 for hard-to-staff incentives; and

For DOE Schools -- \$904,384 for hard-to-staff incentives.

Thank you for your consideration of our comments.



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

**Date:** 02/23/2018  
**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 2383, SD1 RELATING TO EDUCATION.

**Purpose of Bill:** Amends provisions of the national certification incentive program within the department of education to include school psychologists who have achieved national certification. Amends provisions related to eligible schools where teachers or school psychologists with national certification are eligible for the incentive program. Beginning with fiscal year 2018-2019, and each fiscal year thereafter, requires funding requests by charter schools for teacher incentive programs, bonuses, and other compensation beyond regular wages to be a separate line item in the general appropriations act and supplemental appropriations act. Appropriates funds. (SD1)

**Department's Position:**

The Department of Education supports the overall concept of SB 2383, SD 1 as it includes initiatives supportive of our goals and objectives. SB 2383, SD 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 none would apply to school psychologists because they are employed at the district/complex area level.

In addition, the school psychologist license fee structure is incompatible with the current statutory language for teacher incentives and the proposed language is vague in specifying the

appropriate amount to award to either a teacher or school psychologist upon completion of all certification components. Therefore, the proposed amendments to HRS Section 302A-706 may not be the appropriate vehicle to identify applicable incentives for school psychologists.

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 each charter school being a separate line item in the general appropriations act and supplemental appropriations act. This addition will ensure charter schools and the Department will have enough funds appropriated to each entity to cover the costs of teacher incentives.

Along these lines, the Department suggests the following amendment to Section 3:

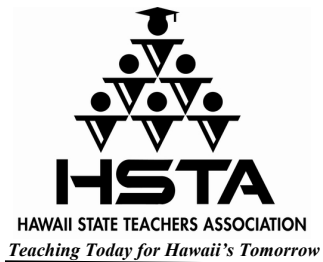
· Change the last sentence of Section 3 to reflect the following:

“The sum appropriated as separate line items to the Department and the Hawaii State Public Charter School Commission shall be expended by each entity for the purposes of this Act.”

This amendment would align with the purpose of this bill to request that a separate line item in the general and supplemental appropriations acts be added for charter schools to receive appropriated funds to cover the pay out of teacher incentives for teachers working in the public charter schools.

Thank you for the opportunity to testify on SB 2383, SD 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](http://www.hawaiipublicschools.org).



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

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TESTIMONY BEFORE THE SENATE COMMITTEE ON  
WAYS AND MEANS

RE: SB 2383, SD 1 - RELATING TO EDUCATION

FRIDAY, FEBRUARY 23, 2018

COREY ROSENLEE, PRESIDENT  
HAWAII STATE TEACHERS ASSOCIATION

Chair Dela Cruz and Members of the Committee:

The Hawaii State Teachers Association **supports and suggests amendments for SB 2383, SD 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.

**SB-2383-SD-1**

Submitted on: 2/22/2018 10:32:21 AM

Testimony for WAM on 2/23/2018 11:00:00 AM

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

Comments:

**SB-2383-SD-1**

Submitted on: 2/21/2018 4:14:21 PM

Testimony for WAM on 2/23/2018 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: