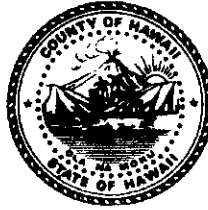


Harry Kim  
Mayor



Wil Okabe  
Managing Director

Barbara J. Kossow  
Deputy Managing Director

County of Hawai'i  
Office of the Mayor

25 Aupuni Street, Suite 2603 • Hilo, Hawai'i 96720 • (808) 961-8211 • Fax (808) 961-6553  
KONA: 74-5044 Ane Keohokalole Hwy, Bldg C • Kailua-Kona, Hawai'i 96740  
(808) 323-4444 • Fax (808) 323-4440

February 27, 2017

Senator Jill Tokuda  
Ways and Means  
Senator Gilbert Keith-Agaran  
Judiciary and Labor  
Hawai'i State Capitol  
Honolulu, HI 96813

Dear Chair Tokuda, Chair Keith-Agaran, and members:

RE: **SB 686, SD 1**  
**Relating to Education Funding**

As a former teacher myself, I fully appreciate the efforts of this Legislature to properly fund education. However, I cannot support SB686, SD1, and must speak against it.

**Effect on Real property tax.** The County of Hawaii, as is true of the other counties, has little or no control over its revenue except in one area, real property taxes, and the County relies overwhelmingly on real property taxes to fund its operations. The burden of that tax can be heavy for many residents, but since it is virtually the only tool we have, we use it the best we can.

A surcharge on residential investment properties would obviously limit County options and make it even more difficult to balance our budgets. Therefore, we have to jealously guard this taxing authority, and ask that you not breach this line of authority.

**Effect on TAT.** Given our County's limited resources, we are fortunate that the Legislature has seen fit to allow the counties to share in the TAT. That has been a great help, and we thank you for it.

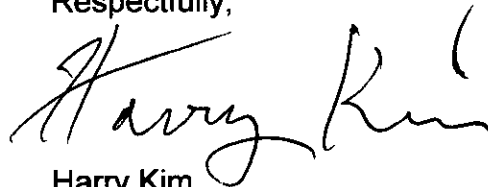
However, this source of revenue is under constant pressure, and even this session the Legislature will be asked to increase the counties' share of TAT so that we can better serve our constituents and visitors. The TAT pie can only be divided into so

Jill Tokuda, Gilbert Keith-Agaran  
February 27, 2017

can better serve our constituents and visitors. The TAT pie can only be divided into so many pieces, and a surcharge on visitor accommodations, even for the most noble of purposes, will obviously limit what can be raised and spent elsewhere.

Please do not deprive the counties of this needed source of revenue, by dividing the pie even further.

Respectfully,

A handwritten signature in black ink, appearing to read "Harry Kim". The signature is fluid and cursive, with a large, sweeping "H" and "K".

Harry Kim  
Mayor

**Bernard P. Carvalho, Jr.**  
Mayor



**Ken M. Shimonishi**  
Director of Finance

**Wallace G. Rezentes, Jr.**  
Managing Director

**Sally A. Motta**  
Deputy Director of Finance

**DEPARTMENT OF FINANCE**

**Real Property Assessment Division  
County of Kaua'i, State of Hawai'i**

4444 Rice Street, Suite A-454, Lihu'e, Hawai'i 96766  
TEL (808) 241-4224 FAX (808) 241-6252

**BEFORE THE SENATE WAYS AND MEANS COMMITTEE**

Tuesday, February 28, 2017

9:50 a.m.

Conference Room 211

**TO:** THE HONORABLE JILL N. TOKUDA, CHAIR  
THE HONORABLE DONOVAN M. DELA CRUZ, VICE CHAIR  
AND MEMBERS OF THE HOUSE JUDICIARY COMMITTEE

**FROM:** STEVEN A. HUNT, REAL PROPERTY TAX MANAGER, COUNTY OF KAUAI

**SUBJECT:** TESTIMONY ON SB683 & SB686, RELATING TO AMENDMENT TO THE  
CONSTITUTIONAL OF THE STATE OF HAWAII TO AUTHORIZE SURCHARGE  
ON PROPERTY TAXES FOR THE DEPARTMENT OF EDUCATION

The County of Kaua'i wishes to express its strong opposition to SB683, which proposes an amendment to the Hawai'i State Constitution to allow the State to add a real property tax surcharge for the purpose of providing additional funding for public education. While additional investment in our public school system is sorely needed, attaching a surcharge to property taxes is not the appropriate funding source. The prolonged cap on the counties' share of the transient accommodations tax (TAT) juxtaposed to the ever-increasing collective bargaining agreements, retirement "spiking" costs, mandated OPEB payments, and anticipated ERS rate hikes to the employer places an inordinate amount of pressure on real property taxes to balance our own annual budgets. Since FY12, the average real property tax rate for properties other than owner-occupied properties in Kaua'i County has increased approximately 34.5% which is compounded further when considering the net assessed value has also increased approximately 16% during this same period of time. As a result, the annual real property taxes have increased over 50% and now represents a whopping 82% of our general fund revenues in FY17. There is a limit to which property taxes can be pushed and we are likely near the breaking point for many property classes already.

We urge this committee not rely on third-party testimony that declares Hawai'i has the lowest effective property tax rates in the country, as those effective rates are strictly for owner-occupied properties not tax rates for other property classifications. And, while it may be true that the tax rates for owner-occupants is the lowest in the country, the same cannot be said about the assessed values nor the actual tax bills. Hawai'i has the highest assessed values and the homeowners' pay property taxes that are closer to the median when you combine the highest values with the lowest rates. This information can be independently verified quickly on the Tax Foundation's website "<https://taxfoundation.org>".

Visitor accommodation properties, which are represented by our Hotel & Resort and Vacation Rental tax classifications, are currently paying tax rates of \$10.85 and \$8.85, respectively. Residential investment

*An Equal Opportunity Employer*

properties, which we classify as Residential and Residential Investor, have respective tax rates of \$6.05 and \$7.05. The tax rates for these four classifications are already near the upper end of the spectrum statewide. Moreover, it is precisely these four tax classifications that have seen the largest tax rates increases in recent years. In the most extreme cases, the tax rate increase has been over 115% for vacation rental properties that were formerly classified as Residential based on zoning but reclassified as Vacation Rentals based on use.

Any proposed surcharge will likely be an added cost that will undoubtedly be passed along to tenants, including those renting affordable units. With the ongoing housing crisis and lack of modestly priced rental units, is adding another barrier to entry really in the best interests of our local citizens just trying to make ends meet?

The proposed authority for the State to add a surcharge on county property taxes will seemingly ameliorate or otherwise supersede the County Council's authority and obligation to set tax rates based on the amount of taxes to be raised by each tax category. Furthermore, the current assessment and billing software utilized by the County of Kaua'i is not configured for a tiered tax rate structure for residential investment properties, as proposed under SB686, nor are we equipped to handle daily fees for visitor accommodation units, the latter of which really seems to be a fixed fee that would be added to the variable TAT taxes imposed. Since the proposed visitor accommodation fee is based on the daily room rates being charged and not tied to property values, it should not be administered by Real Property Assessment but rather would best fall under the auspices of the Department of Taxation. The counties are not setup to monitor nor collect such additional fees as our payments are based on taxes being submitted annually or semiannually.

Moreover, the collection and distribution of the monies generated by the proposed surcharge will certainly add to the current duties of our Real Property Collections staff as well as require system modifications, especially to accommodate the tiered tax rates being suggested. We have not had the opportunity to analyze the financial impact of accommodating this request, therefore cannot be certain that the suggested five percent administrative will be sufficient to cover the actual added costs.

Finally, the surcharge amounts being proposed in SB686, which is running concurrently with this bill, would literally be doubling many of the current property tax rates for residential investor properties. This will not only cause extreme hardship for many existing property owners, but it will also likely impact investment capital coming into Hawai'i. These proposed millage rates combined with our state's high assessed values will severely limit the counties own ability to respond to budgetary issues, such as increased ERS payments or new debt service, as existing taxpayers are already complaining that it typically takes 2 months (or more) of rental income just to cover property taxes.

For the aforementioned reasons, the County of Kaua'i does not support this proposed constitutional amendment giving the State authority to add a surcharge or otherwise affect the millage tax rates for real property taxes.

Respectfully,



Steven A. Hunt

Real Property Tax Manager

Council Chair  
Mike White

Vice-Chair  
Robert Carroll

Presiding Officer Pro Tempore  
Stacy Crivello

Councilmembers  
Alika Atay  
Elle Cochran  
Don S. Guzman  
Riki Hokama  
Kelly T. King  
Yuki Lei K. Sugimura



Director of Council Services  
Sandy K. Baz

**COUNTY COUNCIL**  
COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
www.MauiCounty.us

February 27, 2017

TO: The Honorable Gilbert S.C. Keith-Agaran, Chair  
Senate Committee on Judiciary and Labor

The Honorable Jill N. Tokuda, Chair  
Senate Committee on Ways and Means

FROM: Mike White  
Council Chair

A handwritten signature in black ink, appearing to read "Mike White", is written over the printed name and title.

SUBJECT: **HEARING OF FEBRUARY 28, 2017; TESTIMONY IN OPPOSITION TO SB 686, SD 1, RELATING TO EDUCATION FUNDING**

Thank you for the opportunity to testify in **opposition** to this measure. The purpose of this bill is to establish an education surcharge on residential investment properties and visitor accommodations for the purpose of funding public education.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I submit this testimony also in opposition to SB 683 SD 1, which would amend the Constitution of the State of Hawaii to facilitate the establishment of the surcharge.

I **oppose** this measure for the following reasons:

1. Although the Department of Education receives almost 20 percent of the entire budget of the State of Hawaii, the administrators, teachers, students and advocates of this bill have legitimate reasons to demand more funding to provide quality education for our keiki. But the proposed measure before you is flawed, which is why I implore the legislature to defer this bill.
2. Real property taxes are counties' primary and largest source of revenue to fund county programs. The counties this year are anticipating substantial salary adjustments from all bargaining units, which we are obligated to fund regardless of our position. Raising property taxes is our only reasonable option to balance our budget.
3. Increasing costs of visitor-related programs like transportation, sewer and water, fire, police, and parks maintenance continue to be a challenge because the

counties don't receive their fair share of the transient accommodations tax. To pay for these services, the residents will continue to be overly burdened and face potential increases in real property taxes.

4. In addition to the issues mentioned above, this measure is problematic because it applies to "residential investment properties" a definition which is unclear. There is no doubt that landlords will pass on the new tax to renters. This could not come at a worse time when many of our local residents are struggling to keep up with escalating housing costs amid a statewide decline in affordable housing inventory. The unintended consequences of this bill to our real estate industry are enormous and would serve as a disincentive for investors to invest in our state.
5. The bill mandates the counties to administer and collect the property surcharge for education without identifying how the counties are to fund this mandate. Have the proponents of this measure given any thought to how the new tax will be administered and who will bear those costs? Without a clear implementation plan and associated funding, the risk is that the burden will fall solely upon county residents. We urge you to defer this bill and consider the magnitude of its impact.
6. In many mainland communities, local real estate taxes are used to support local schools. The communities decide for themselves what they can afford and tax their residents accordingly. In Hawaii, funding and administration of schools are handled centrally by the state with little to no input from the counties or local residents. The premise of this bill that requires the counties to fund schools without having a greater say in the way that monies are spent ignores the importance of the community's right to guide education decisions and smacks of paternalism.

For the foregoing reasons, I **oppose** this measure.



February 14, 2017

### **Testimony in Opposition to SB686**

Members of the Hawaii State Legislature:

The Kohala Coast Resort Association (KCRA) is opposed to amending the State Constitution to add a surcharge to residential investment property and visitor accommodations. We believe that the goal of this measure, to support the state's educational objectives is worthy, but feel it can already be achieved by allocating a percentage of the transient accommodations taxes from the state's general fund revenues.

KCRA is a collection of master-planned resorts and hotels situated north of the airport which represents more than 3,500 hotel accommodations and an equal number of resort residential units. This is approximately 35 percent of the accommodations available on the Island of Hawai'i. KCRA member properties annually pay more than \$20 million in TAT and \$20 million in GET.

Sincerely,

Stephanie Donoho  
Administrative Director

Patrick Fitzgerald, Hualalai Resort  
Kelley Cosgrove, Fairmont Orchid, Hawai'i  
David Givens, Hilton Waikoloa Village  
Steve Yannarell, Waikoloa Beach Marriott Resort & Spa

Scott Head, Waikoloa Land Company  
Robert Whitfield, Four Seasons Resort Hualalai  
Rodney Ito, Mauna Lani Bay Hotel & Bungalows  
Craig Anderson, Mauna Kea Beach Hotel and Hapuna  
Prince Hotel

# TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

**SUBJECT:** REAL PROPERTY, TRANSIENT ACCOMMODATIONS, Education Surcharge on Residential Investment Properties and Visitor Accommodations

**BILL NUMBER:** SB 686; SD-1 [Implementing Legislation]; SB 683, SD-1 [Constitutional Amendment]

**INTRODUCED BY:** Senate Committee on Education

**EXECUTIVE SUMMARY:** Proposes a substantial surcharge on real property tax for residences where the home exemption is not claimed, and on transient accommodations. Proposes a constitutional amendment, because the surcharge would not be constitutional now. With a tax increase of this magnitude, economic ripple effects are likely to be enormous. We also question why such a massive increase is being sought given that the Department of Education already has a gargantuan share of the State budget but is still beset with such issues as frustrated teachers and students roasting in our classrooms. The proposed constitutional amendment language is especially dangerous because it would enable court challenges to the sufficiency of the amounts appropriated for public education similar to the challenges made by DHHL.

**SYNOPSIS:** Levies a surcharge on all residential investment property in the State of Hawaii as follows:

Property value	Surcharge per \$1,000 of total property value
<b>Under \$500,000</b>	\$3.50
<b>\$500,000 under \$750,000</b>	\$4.50
<b>\$750,000 under \$1,000,000</b>	\$5.50
<b>\$1,000,000 under \$2,000,000</b>	\$6.50
<b>\$2,000,000 and over</b>	\$7.50

Residential investment property is defined as all realty and all machinery and other mechanical or allied equipment and the foundations thereof, that is dedicated for residential use for which the owner does not qualify for a homeowner's exemption.

Exemptions are provided for: (1) property rented for an amount of \$1,500 or less per month; (2) property rented to a person or household qualifying for the federal public housing program; (3) property rented to a person or household receiving rental assistance through the state rent supplement program; (4) property rented to a resident aged 65 or older, if the resident's annual income is less than \$75,000; (5) leases under the Hawaiian Homestead Act of 1920; (6) property rented to a person who is blind or deaf, or a person totally disabled, as defined in HRS section 235-1, whose medical condition is verified by an appropriate medical professional; (7) property rented to a totally disabled veteran; (8) property used exclusively for charitable purposes;



(9) property used for school purposes; (10) property owned by a nonprofit corporation to which admission is restricted by corporate charter to members of a labor union or government employees' association; (11) property dedicated to public use by the owner, which dedication has been accepted by a government entity and notice of that acceptance is recorded in the bureau of conveyances; (12) property that has been set aside for public use for a period of not less than ten years after enactment of this section; and (13) property owned by any entity granted a transient accommodations tax exemption under section 237D-3.

A person who is eligible for a county homeowner's exemption on property tax who also owns more than one residential investment property shall be entitled to designate which residential investment property owned by that person shall be exempt.

An exemption shall only be granted for a residential investment property or a visitor accommodation for which every owner or ownership interest qualifies for one or more exemptions.

Levies a surcharge on visitor accommodations in the State of Hawaii as follows:

Daily price	Surcharge per day
Less than \$150	\$3.00
\$150 or more	\$5.00

Visitor accommodations are defined as all transient accommodations pursuant to section 237D-1, resort time share vacation units pursuant to section 237D-1, and any other dwelling or lodging located in the State and let by an owner or operator for less than one hundred eighty days. Visitor accommodations shall not include any facility owned or used by a government agency, school or college dormitory, homeless facility pursuant to section 346-361, or tenement home, group home, group residence, group living arrangement, boarding house, certified pursuant to section 445-94.

Obligates the counties to collect the surcharge, but provides that they may retain 5% of the amount collected to reimburse the county for the costs of assessment, collection, and disposition of the education surcharge incurred by the county.

**EFFECTIVE DATE:** Upon ratification of the constitutional amendment permitting the legislature to establish a surcharge on residential investment properties and visitor accommodations to fund public education.

**STAFF COMMENTS:** The real property tax increases being proposed are substantial. For a residential property valued at a shade under \$1 million in Honolulu, for example, the real property tax would be \$3,500 and the surcharge would be \$5,500, for a total of \$9,000, nearly tripling the tax bill.

Some have sought to justify the dramatic effects upon the real property tax wrought by this bill by the argument that low property taxes are a bad thing. The preamble in HB 1735 (2016), for example, said:

The legislature finds that Hawaii has the lowest property taxes in the nation. Although this makes sense for low- and middle-income residents who own an average single-family home, this causes the counties to potentially forego additional tax revenue from high-value homes and second homes.

The legislature further finds that many individuals and families who spend time in Hawaii are owners of high-value properties and do not pay state income tax, instead maintaining resident status in another state with a lower income tax rate. However, these individuals still use Hawaii's infrastructure and services, and thus should pay their fair share.

The legislature also finds that low property taxes can incentivize development of high-end, high-value properties, contributing to the high cost of land in Hawaii, driving up the cost of living and exacerbating our affordable housing and homelessness issues.

The conventional wisdom as to why Hawaii has low real property taxes is that most other states provide schools at the city or county level, requiring them to be funded by a municipal funding source like a property tax. Hawaii has a state-run school system, which is funded by state funding sources like the income tax and the GET.

Are the counties suffering because they are forgoing tax revenue? The counties set property tax rates by ordinance and look at rate levels during every budget cycle. Honolulu and Kauai, for example, enacted major changes to their property tax systems in 2013. If the counties are forgoing revenue, they are doing it by their own choice.

Do nonresidents fail to pay their fair share in income tax? Our income tax is like the tax systems in most other states. Nonresidents get taxed on income with its source in Hawaii. Residents get taxed on income regardless of source BUT get a credit for tax paid to another state or country on income that has its source in that state or country. So, a taxpayer's tax, resident or not, depends on where the income comes from and whether other jurisdictions are also taxing it. This kind of system has been upheld as meeting the requirements in the U.S. Constitution. See, for example, *Comptroller of the Treasury of Maryland v. Wynne*, 575 U.S. \_\_\_ (2015). If that system fails to tax people fairly, why do most states with an income tax use it?

Do low property taxes lead to development of high-end properties that then drive up the cost of land and therefore the cost of living? And if so, is the remedy for this higher taxes which can and do drive up the cost of living *by themselves*? Land costs more because we're on an island in paradise. Folks are willing to pay decent money to live here part of the time even if they might not want to live here permanently. Indeed, our tourism authority actively encourages potential tourists to come here. So property is going to cost more here than the same square footage in places where transient rental is less of a factor.

A tax increase of any magnitude in Hawaii's fragile economy will, no doubt, have a negative impact as costs soar due to higher taxes. As costs and overhead increase, employers must find ways to stay in business by either increasing prices to their customers or cut back on costs. This may take the form of reducing inventory, shortening business hours, reducing employee hours, or

even laying off workers. A tax increase of any magnitude would send many companies, especially smaller ones, out of business taking with them the jobs the community so desperately needs at this time.

While the teachers believe that they have not been given a fair shake at the negotiating table, that is an issue that should be resolved at the table and not by asking for tax increases or an earmarked source of funding. It is up to the teachers to ask for what money is available just like any other collective bargaining units. Although public employee union leaders complain about how the public employees should not be asked to bear the brunt of the downturn in the economy, they seem to ignore the fact that employees in the private sector have taken hits early and often, with many of them either working shorter hours or having taken pay cuts if they are working at all. A recent analysis of Bureau of Economic Analysis data done by the Grassroot Institute of Hawaii,<sup>1</sup> for example, showed that Hawaii teachers make low wages and benefits, 42nd in the nation, but that Hawaii's private sector workers made the lowest wages and benefits nationally when adjusted for cost of living.

Teachers do have a legitimate complaint that should demand the attention of lawmakers and Board of Education members, namely that teachers are being asked to do more and more administrative paperwork and are spending less and less time in the classroom. If nothing else, the funds that are being appropriated to the DOE are failing to reach the classroom because of the top-heavy administrative structure of the department that demands reports and schedules and evaluations to justify the role of administrators. The frustration of classroom teachers is that they spend too much time filling out forms and reports and not enough time in the actual classroom. Unfortunately, with more than \$1.5 billion in its budget and more than 20% of the general fund budget, teachers are frustrated, and kids are roasting in the schools. The department of education still cannot get it right. Until it does, there is little justification for an increase of financial resources let alone a massive tax increase as proposed.

SB 683, SD-1 proposes to amend the Constitution to say that the State "shall make sufficient sums available" for public education instead of "shall provide" for public education. This change is dangerous, because the language is identical with that in Hawaii Const. Art. XII, sec. 1 which enabled the Department of Hawaiian Home Lands to mount a court challenge to the sufficiency of the amount appropriated to the agency. Chad Blair, *Judge: State Must Fund Hawaiian Home Lands*, Civil Beat (Honolulu), Mar. 2, 2016, available at <http://www.civilbeat.org/2016/03/judge-state-must-fund-hawaiian-home-lands/>.

If the bill should move forward, some technical corrections should be considered.

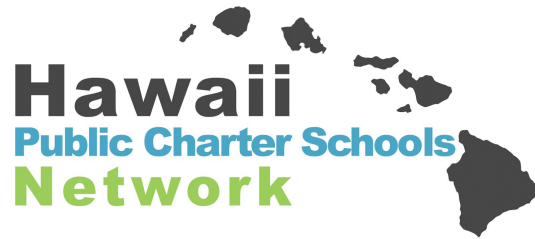
- The bill now exempts property owned by any entity granted a TAT exemption under section 237D-3. Section 237D-3(7) describes accommodations furnished without charge. As written, then, a property owner owning 100 apartments and allowing a contractor to stay in one of them for free for part of year would be entitled to this exemption on all 100 units.

---

<sup>1</sup> <http://www.grassrootinstitute.org/2017/01/islanders-shouldnt-be-taxed-extra-for-teacher-bonuses/>

- The bill provides that a person who is eligible for a county homeowner's exemption on property tax who also owns more than one residential investment property shall be entitled to designate which residential investment property owned by that person shall be exempt. The apparent intent is for a person owning multiple properties and living in one of them to designate the one property exempt from surcharge. The provision does not seem to be necessary. The person can and should claim the homeowners' exemption for the property on which he or she lives, and that property then would not be residential investment property. The other properties would be residential investment, and none of them should qualify for exemption.

Digested 2/24/2017



February 3, 2017

To: Honorable Gil Keith-Agaran, Chair  
Honorable Karl Rhoads, Vice Chair  
Senate Committee on Judiciary and Labor

Honorable Jill Tokuda, Member  
Honorable Donovan Dela Cruz, Vice Chair  
Senate Committee on Ways and Means

From: Jeannine Souki, Executive Director  
Hawaii Public Charter Schools Network

Re: **SB683 SD1 – PROPOSING AMENDMENTS TO ARTICLES VII AND X OF THE STATE**

**CONSTITUTION TO AUTHORIZE LEGISLATURE TO ESTABLISH A SURCHARGE ON RESIDENTIAL INVESTMENT PROPERTY AND VISITOR ACCOMMODATIONS TO INCREASE SUPPORT FOR PUBLIC EDUCATION– Support**

**SB686 SD1 – RELATING TO EDUCATION FUNDING – Support**

**Conference Room 211 – Hawaii State Capitol – Feb. 28, 2017, 9:50 A.M.**

On behalf of the Hawaii Public Charter School Network (HPCSN), please find our testimony in support of SB683 SD1, Relating to Education Funding, and SB686 SD1, Proposing Amendments to Articles VII and X of the Constitution of the State of Hawaii to authorize the legislature to establish a surcharge on residential investment property and visitor accommodations to increase funding for public education.

In tandem, these bills establish an education surcharge on residential investment properties and visitor accommodations for the purpose of funding public education. We support public education in both charter schools and traditional schools as one of the highest purposes of the state.

**Here are top 10 reasons why we are calling for this investment:**

10. An educated population is the cornerstone of democracy. This nation's well-being depends on the decisions of its educated, informed citizens.

9. Education reduces costs to taxpayers. For every dollar spent to keep a child in school, the future costs of welfare, prison, and intervention services are reduced. It can cost less to educate a child now than to support a teenage parent or a repeat offender in the future. Education monies help to secure the future of all citizens.

8. Public schools are the only schools that must meet the needs of all students. They do not turn children or families away. Public schools serve children with physical, emotional, and mental disabilities, those who are extremely gifted and those who are learning challenged, right along with children without special needs.

7. Public schools foster interactions and understanding among people of different ethnic, religious, and socioeconomic backgrounds.

6. "Education is the best provision for old age"-- Aristotle. The future support of our aging population depends on strong public schools. In 1954, there were 17 workers to pay the Social Security cost for each retiree. By 1995, there will be only three for each retiree. It is likely that the productivity of these three workers per retiree will depend on the strength of our public school systems.

5. More than 95 percent of our future jobs will require at least a high school education. There is no question about the need for an educated work force.

4. The nation pays a high price for poorly educated workers. When retraining and remediation are needed to prepare a worker to do even simple tasks, the cost is paid by both employers and consumers. This process raises the price of American products and makes it more difficult for this nation to compete in the world marketplace.

3. The cost of dropouts affects us all. This nation loses more than \$240 billion per year in earnings and taxes that dropouts would have generated over their lifetimes. Well-supported public schools can engage all students in learning and graduate productive and competent citizens.

2. Children are our nation's future. Their development affects all of us. Good education is not cheap, but ignorance costs far more.

**And the Number One reason to support public education. . .**

1. Public education is a worthy investment for public funds. We can invest now, or we can pay later.

HPCSN works to support Hawaii's public charter schools and to be a voice for children and families that seek choice in an independent public school setting.

HPCSN works to support public charter schools in Hawaii and to be a voice for children and families that seek choice in an independent public school setting. We appreciate your favorable consideration of these bills.



Chamber of Commerce HAWAII  
*The Voice of Business*

**Testimony to the Senate Committee on Judiciary and Labor,  
and the Senate Committee on Ways and Means  
Tuesday, February 28, 2017 at 9:50 A.M.  
Conference Room 211, State Capitol**

**RE: SENATE BILL 683 PROPOSING AMENDMENTS TO ARTICLES VII AND X  
OF THE CONSTITUTION OF THE STATE OF HAWAII TO AUTHORIZE THE  
LEGISLATURE TO ESTABLISH A SURCHARGE ON RESIDENTIAL INVESTMENT  
PROPERTY AND VISITOR ACCOMMODATIONS TO INCREASE FUNDING FOR  
PUBLIC EDUCATION  
AND  
SENATE BILL 686 RELATING TO EDUCATION FUNDING**

Chairs Keith-Agaran and Tokuda, Vice Chairs Rhoads and Dela Cruz, and Members of the Committees:

The Chamber of Commerce Hawaii ("The Chamber") **strongly opposes** SB 683, which proposes amendments to the Constitution of the State of Hawaii to advance the State's goal of providing a quality education for the children of Hawaii by authorizing the legislature to establish, as provided by law, a surcharge on residential investment property and visitor accommodations.

The Chamber also **strongly opposes** SB 686, which establishes an education surcharge on residential investment properties and visitor accommodations for the purpose of funding public education.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,600+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

The package of bills proposes to implement a constitutional amendment permitting the legislature to establish a surcharge on visitor accommodations and residential investment properties to fund the department of education, and then a statutory mechanism to implement the program. The statutory bill proposes two new taxes, one on residential investment property and one to assess visitor stay on a per day basis.

While we strongly support the efforts to provide quality public education in our state, we are concerned that there is no clear amount designated as a sufficient amount of funds for education. We are also concerned with the approach to create new assessments, or taxes on activities with no nexus to the end user or, worse, taxes one group of residents and not others.





# Chamber of Commerce HAWAII

*The Voice of Business*

On taxing residential investment property, the resident renter will likely pay the tax. Hawaii has approximately a 55%+ homeowner rate. That would suggest that about **40-45% of all residents living in the state are renting**. This would create an **unfair tax burden on local residents who are renters** and increase the cost of housing for these residents, which this bill in part tries to address for teachers. This appears to be an unfair targeted tax and could create a further economic divide between homeowners and renters. A renter in a \$400,000 valued residential property could be affected by this tax to the amount of an additional **\$1,400 per year**. For someone renting the average home value or \$760,000 the tax could be over **\$4,100 per year**. Even though there are exemptions for certain types of residential units, it could skew the marketplace and adversely affect the rental market.

It is also unclear on a practical level how these exemptions will be monitored and enforced. We are not sure the Superintendent is the best lead enforcement person even with the help of the state and county director of finance. In addition, the resources by the state and county to administer and enforce this new law are not addressed in the bill. Furthermore, the new administrative burden by homeowners may again negatively affect the marketplace.



For the tax on tourism, there is already a 13.75% tax rate on transient accommodations. We think the per-day tax could hurt tourism and damage further investment by transient accommodation owners into Hawaii's properties. It will also place an additional and complicated burden on transient accommodation operators as they will have to track and report on two different types of accommodation taxes. Transient accommodation companies already provide huge tax revenues to the state in TAT, GE and the income taxes for the thousands of jobs that they provide in our state.


We also have other issues with the bill. It does not guarantee (nor can any language) that the additional tax revenues will be used only for the department of education. As you know, the Legislature of today cannot bind future Legislatures, especially in how they appropriate funds.

The bill does not state what the projected \$500 million in additional taxes will accomplish. Lastly, we have concerns on the larger issue of raising taxes to fund a specific department and an employee class of salaries. As we mentioned there are many important programs that the state funds, but doing this could set a dangerous precedent for other programs with constituencies to come in for further tax increases.

We ask these bills be deferred. We appreciate the opportunity to provide our input on this important legislation.



 | 808-733-7060  
 | 808-737-4977

 | 1259 A'ala Street, Suite 300  
Honolulu, HI 96817

February 28, 2017

**The Honorable Jill N. Tokuda, Chair**

Senate Committee on Ways and Means

**The Honorable Gilbert S.C. Keith-Agaran, Chair**

Senate Committee on Judiciary and Labor

State Capitol, Room 211

Honolulu, Hawaii 96813

**RE: S.B. 686, S.D.1, Relating to Education**

**HEARING: Tuesday, February 28, 2017, at 9:50 a.m.**

Aloha Chair Tokuda, Chair Keith-Agaran, and Members of the Committees.

I am Myoung Oh, Director of Government Affairs, submitting written comments on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its 9,200 members. HAR **strongly opposes** S.B. 686, S.D.1 which establishes an education surcharge on residential investment properties and visitor accommodations for the purpose of funding public education.


The bill proposes to create a revenue stream for the Department of Education based on assessing residential units used for rentals. The bill also proposes to assess visitors on a per person basis but does not state an amount necessary to address the current needs of the DOE, and thereby creates a revenue source for funding existing and future programs.


While we continue to recognize the importance of education, we are concerned that the responsibility in funding this effort will be shifted from the overall general tax paying public to those that own residential investment property and visitors to our State. Moreover, there is **no clear nexus between those that invest in residential property and visitors to our State (since they do not live in Hawai'i) to education.**


According to the Department of Business, Economic Development and Tourism, Hawai'i had a homeownership rate of about 59% in 2015, which suggests 41% are renters. Should an additional surcharge be placed on rental investment property, these additional costs may be passed on to renters. Furthermore, with rising housing costs, more homeowners today are purchasing an investment property so that their children have a place to call home or to plan for retirement. With Hawaii's high cost of living and housing, this would further burden our working individuals and families.





 | 808-733-7060

 | 808-737-4977

 | 1259 A'ala Street, Suite 300  
Honolulu, HI 96817

---

Educational needs must be weighed against the priorities of the State as a whole through the budgeting process and **HAR does not support earmarking a new surcharge on residential investment property and visitor accommodations.**

Mahalo for the opportunity to submit written comments in opposition to this measure.



# Coalition for Equal Taxation

**RE: Senate Bill 683; Constitutional Amendment  
Senate Bill 686; Education Funding**

Dear Chairs Tokuda and Keith-Agaran and Committee Members:

On behalf of the Coalition for Equal Taxation, we respectfully request that you ***OPPOSE*** both these Bills.

We support schools for all Hawaii children, however, we must oppose the proposed method of taxation. Education is a benefit to all of the State of Hawaii and its source of funding should be derived for all sources of taxation.

This Bill would adversely impact the counties' ability to raise property taxes for their own operations. ***It puts at odds two different groups of public employees. Will you deprive the counties of their abilities to pay for police, fire and county operations to benefit state employees in the department of education.***

The Constitutional Amendment, if passed, will have far reaching implications and result in every year going forward bringing forth bills that propose taxation benefiting one group over another. This will result in discord in society rather than collaboratively solving problems together. This does not lead to orderly oversight of a cohesive spending plan by the government. It causes a fracturing off of revenue without the flexibility that budgeting must necessarily incorporate to withstand the ebb and flow of revenue related to spending. This Bill does not promote prudent public policy.

This Bill uniquely selects to impose a surcharge on property taxes to residential properties that cannot claim a homeowners' exemption.

There are a multitude of bills this legislative session that propose to increase property taxes on those who cannot claim the homeowners' exemption or directly on transient accommodation commerce. Taken as a whole, they present a very oppressive environment for those who are affected.

The current property tax structure is illustrated below:

	Owner occupied Exemption	Additional Senior Exemption	Owner occupied Tax Rate per \$1,000	Non-Owner Tax Rate per \$1,000
CC Honolulu	\$ 80,000	\$120,000	3.50	12.90 (Resort)
Maui	\$200,000		2.70	8.71
Kauai	\$160,000	\$180,000 - \$200,000	3.05	8.85
Co. Hawaii	\$ 40,000	\$ 80,000 - \$100,000	6.15	10.85

Additionally: Many counties also have further exemptions for disabled and low income owner occupied units.

Thus, it is clear to see that a person who cannot claim the homeowners' exemption is paying, a vastly higher tax rate *for the exact same dwelling*. Further, a number of the counties have set 270 days of occupancy to qualify for a homeowners' exemption. Thus a person who lives in their dwelling almost 9 months of the year, still may not use the homeowners' exemption.

The extra burden is as follows:

Under \$500,000	\$3.50	= up to	\$ 1,750
\$500,000 under \$750,000	\$4.50	=	\$ 3,375
\$750,000 under \$1,000,000	\$5.50	=	\$ 5,500
\$1,000,000 under \$2,000,000	\$6.50	=	\$13,000
\$2,000,000 and over	\$7.50	=	\$22,500 (based on 3m)

**Example of \$550,000** Dwelling and the Tax effect: (obviously the higher the value of the property the more the surcharge increases:

	Homes <b>Without Owner</b> Exemptions	Homes <b>With Home</b> Owner Exemption
Maui	\$4,790.50 plus surcharge of \$2,475.00 = <b>\$ 7,265.50</b>	<b>compare to: \$ 945.00</b>
Kauai	\$4,867.50 plus surcharge of \$2,475.00 = <b>\$7,341.50</b>	<b>\$1,189.50</b>
Co. Hawaii	\$5,967.50 plus surcharge of \$2,475.00 = <b>\$8,442.50</b>	<b>\$ 3,136.50</b>

The proposed Bill also imposes a further taxation surcharge on the commerce of offering transient accommodations for rent resulting in a significant tax burden, for many, amounting to 4% of their gross, or similar to paying GET twice. Again, this tax is uniquely imposed upon only one sector of the commerce spectrum rather than applied to all economic output. It is unclear what would justify a taxation on only one sector. There is no nexus between education and tourism.

As the purpose for the property tax increase and transient accommodation surcharge is for education that all Hawaii residents benefit from, the revenue to support this, should be sourced by a general taxation as it is currently. To do otherwise, is problematic.

We urge you to please defer this Bill.

Thank you for the opportunity to testify.

John Chang  
Coalition for Equal Taxation



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 and JUDICIARY AND LABOR

RE: SB 686, SD 1 - RELATING TO EDUCATION FUNDING.

TUESDAY, FEBRUARY 28, 2017

COREY ROSENLEE, PRESIDENT  
 HAWAII STATE TEACHERS ASSOCIATION

Chair Tokuda, Chair Keith-Agaran, and Members of the Committee:

The Hawaii State Teachers Association **strongly supports and proposes amendments for SB 686, SD 1**, relating to education funding.

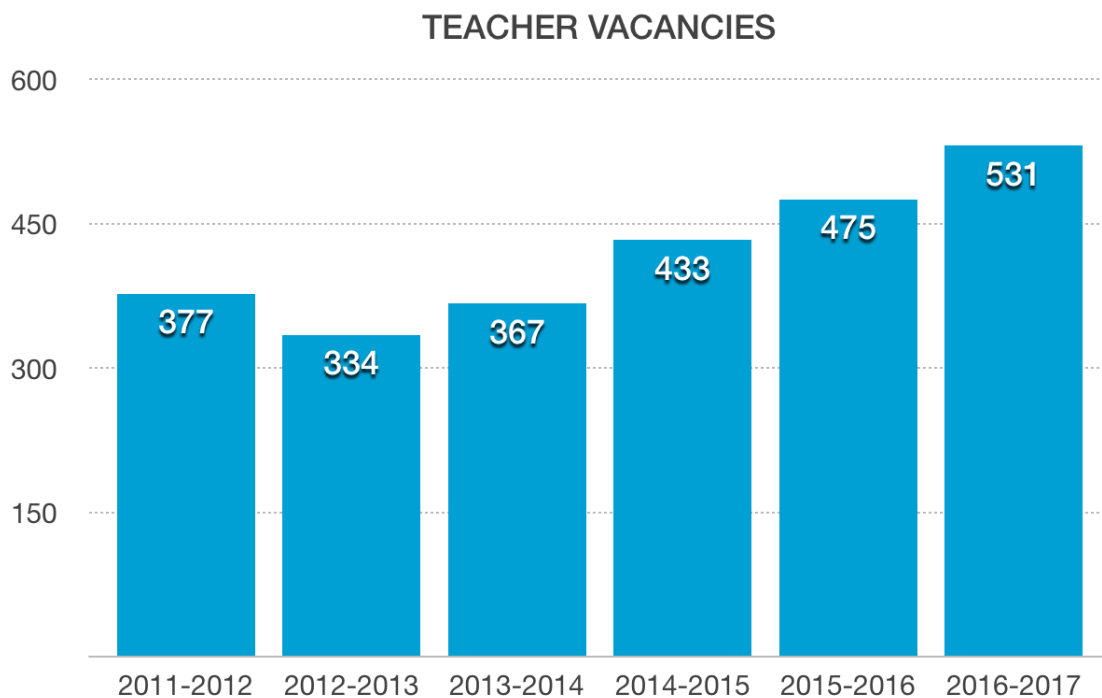
Hawai'i shortchanges its public schools. While our state's per-pupil spending of \$11,823 ranks 17th in the nation when compared to other states in raw dollars, comparison with school districts of similar size and demographics yields different results. Mainland districts with high costs of living are typically urban and averaged with with rural districts experiencing lower costs of living in statewide analyses. When comparing school districts of similar size, Hawai'i, the nation's only statewide school district, ranks 227th in per-pupil funding *before* adjusting for cost of living. A comparison of spending per pupil in America's largest school districts shows the following:

DISTRICT	Wash. D.C.	New York City, NY	Boston, MA	Pittsburgh, PA	Cincinnati, OH	Detroit, MI
AMOUNT	\$26,661	\$25,061	\$22,762	\$22,600	\$22,157	\$18,361

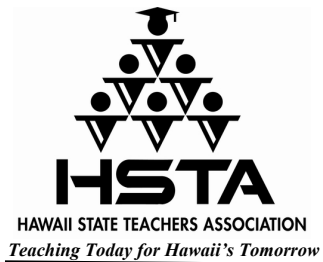
Hawaii's major private schools, on the other hand, average \$15,173 in per-pupil spending. When Catholic schools are removed, private school spending jumps to nearly \$19,173 dollars per student, sans endowment funds that further boost their baselines. As Punahou President Jim Scott revealed in 2014, "The real cost of our

education per student is \$26,000,” with the school’s endowment standing then at \$235 million and fundraising operations earning \$12-\$15 million more each year.

At the same time, we are facing a teacher shortage crisis. Insufficient funding has led to a teacher shortage crisis. From 2011 to 2014, the DOE suffered an average of 359 unfilled vacancies per year. Yet, departmental data showed 531 vacancies for the 2016-2017 school year, a 45 percent increase from the 2013-14 school year.



While many factors influence teachers’ decisions about whether or not to remain in their classrooms, low salaries are undoubtedly a primary driver of teacher turnover. In an analysis performed by HSTA, Hawai’i’s beginning teacher salaries were found to be approximately \$4,000 lower than average, while our state’s highest salaries are roughly \$15,000 lower than average. We found that the biggest salary disparity encapsulates teachers with 10 to 20 years of service, whose salaries are \$15,000 to \$20,000 lower than their counterparts in comparable districts. When comparing the



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

**Corey Rosenlee**  
President

**Justin Hughey**  
Vice President

**Amy Perruso**  
Secretary-Treasurer

**Wilbert Holck**  
Executive Director

overall average of teacher salaries adjusted for cost of living, both nationwide and in comparable districts, Hawai'i teachers are the lowest paid in the nation.

By levying a surcharge on residential investment properties and visitor accommodations, we can raise over \$500 million each year for education without placing an unfair financial burden on local residents. We can create class sizes that allow teachers to connect with their students, expand whole child education to include career and technical education and the arts, increase resources for special needs students, and provide professional pay that reflects the value of our hardworking teachers. We can also make Hawai'i more affordable. Over the past two decades, the pricing of housing in the islands has skyrocketed. Townhome prices have increased nearly 400 percent since 2001, with the average cost of a single-family home now exceeding \$720,000. According to the Department of Business, Economic Development, and Tourism, foreign nationals pay roughly 64 percent more than Hawai'i residents for homes, with luxury apartment buildings being built in Kaka'ako advertising prices that, in some cases, average to over \$3 million per unit. Our state's high cost of housing and renting is driven by real estate speculators using the islands as their personal Monopoly board. In levying a surcharge on investment properties and incentivizing low-income rentals, we not only advance our children's future, but ensure that they aren't priced out of paradise.

That said, to protect working families, including our members, we recommend making two amendments to SB 686, SD 1. First, we urge you to increase the exemption for rentals on page 19, line 1 of the bill to apply to any property rented for less than \$2,500, an amount that is roughly \$300 greater than the current median rental price for urban Honolulu. Second, we encourage you to add a new exemption to the bill for "property designated for low-income rental housing that is subject to a regulatory agreement," confirming that our proposal does not adversely impact the state's and counties' ability to meet the housing needs of families earning 60 percent of area median income or less.

The time for talking about the problems in our school system is over. It is time to act. To build the schools our keiki deserve, the Hawaii State Teachers Association asks your committee to **support** this bill.





February 27, 2017

2850 Kahawai Street  
Honolulu, HI 96822

808 988 5505  
www.ppsHI.org

Lois Yamauchi  
*President*  
Honolulu, Hawaii

Kashmira Reid  
*Vice President*

Sue Haglund  
*Secretary*

Ernestine Enomoto  
*Treasurer*

Deborah Bond-Upson

Zachary Dilonno

Clare Hanusz

Kate Righter

Mary Weir

Senate Committee on Ways and Means

Senator Jill N. Tokuda, Chair

Senator Donovan M. Dela Cruz, Vice Chair

Senate Committee on Judiciary and Labor

Senator Gilbert S.C. Keith-Agaran, Chair

Senator Karl Rhoads, Vice Chair

Hearing: Tuesday, February 28, 2017, 9:50 a.m., Room 211

Dear Chair Tokuda, Chair Keith-Agaran and Committee Members:

**This testimony is in strong support for SB686 and SB683, relating to Education Funding.**

Parents for Public Schools of Hawai'i has received comments from families whose children are in public schools across our State about what they love about their schools and their concerns. The message is clear that what they appreciate most is their child's teacher. And yet, our State does not adequately compensate teachers for the hard work that they do. Teachers are education's greatest resource, and families acknowledge that teachers are the key to our children's success. We must be able to recruit and retain teachers who are caring, well prepared, and hold high expectations for all children. Teachers are professionals and should not need to work second jobs and live paycheck to paycheck. If we would like to attract the best teachers and retain them in the profession, they need to be adequately compensated.

Our members would like educators to refocus education on the whole child. Families value music, the arts, dance, languages, and Hawaiian and Polynesian studies. These are subjects that are crucial for the healthy and creative development of children that are currently missing in public education. All children deserve an education that nurtures every facet of their life, one that engages them in interesting curriculum that exposes them to new, exciting and creative arenas.

We believe Hawaii public schools are underfunded and our teachers are underpaid. It is time to invest in our children's education and their future. We support SB686 establishing education surcharges on residential investment property and visitor accommodations to increase funding for public schools with surcharges used for:

1. Recruiting and retaining public school teachers;
2. Lowering public school class sizes;
3. Improving special education staffing and resources; and
4. Offering additional instruction in career and technical education, visual arts, music, theatre, dance, Hawaiian and Polynesian studies, and Hawaiian language.

We also support SB 683 proposing Amendments to the State Constitution to authorize the legislature to establish a surcharge on residential investment property and visitor accommodations to increase funding for public education. **Let the public vote on this issue.**

This is our greatest opportunity to support and promote education of all Hawai'i's keiki in ways that will significantly influence their lives. These bills can positively affect the lives of thousands of children and their families in our State for many generations to come. Thank you for your time and consideration.

Aloha,

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

Lois Yamauchi, PhD  
President, Parents for Public Schools of Hawai'i

*Parents for Public Schools of Hawaii (PPSHI) is a not-for-profit 501(c)(3) volunteer organization of parents, community members, and educators working to improve and support public education through family engagement. We are committed to ensuring all children in Hawai'i have access to a quality public education.*



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

---

**TESTIMONY FOR SENATE BILL 686, SENATE DRAFT 1, RELATING TO  
EDUCATION FUNDING**

**Senate Committee on Ways and Means**

**Hon. Jill N. Tokuda, Chair**

**Hon. Donovan M. Dela Cruz, Vice Chair**

**Senate Committee on Judiciary and Labor**

**Hon. Gilbert S.C. Keith-Agaran, Chair**

**Hon. Karl Rhoads, Vice Chair**

**Tuesday, February 28, 2017, 9:50 AM**

**State Capitol, Conference Room 211**

Honorable Chair Tokuda, Chair Keith-Agaran, and committee members:

I am Kris Coffield, representing IMUAlliance, a nonpartisan political advocacy organization that currently boasts over 350 members. On behalf of our members, we offer this testimony in support of Senate Bill 686, SD 1, relating to education funding.

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 \$11,823 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, at the beginning of the 2015-2016 school year, media outlets widely reported that the DOE faced 625 vacant teaching positions. While the Department of Education currently includes the percentage of teaching positions filled on the first day of school as a statewide indicator in its strategic plan, this statistic does not detail the quality or competency of the teachers filling vacant positions. The number of new teachers hired who have not completed a teacher education program has increased from 125 for the 2011-2012 school year to 241 for the 2015-2016 school year. Over the same period, the number of teacher resignations has increased from 624 in 2011-2012 to 781 in 2015-2016, while the total number of voluntary teacher

separations has increased from 934 in 2011-2012 to 1,075 in 2015-2016. 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 cost of living adjusted teacher pay 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 study of Florida 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 found that teachers' wages are \$4,000 to \$20,000 below that of their mainland peers *before* adjusting for cost of living. Put simply, to reduce teacher turnover, we must pay educators what they're worth.

We are especially heartened by this measure's possibilities for making Hawai'i more affordable. Hawai'i residents face the highest housing costs in the nation, at more than twice the national average. According to the National Low Income Housing Coalition's *Out of Reach 2016* report, a full time worker would need to earn \$34.22/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 \$2,100 in 2015, with average rent for a 900-square-foot exceeding \$2,200 in 2016. In the past three years alone, Honolulu rent has increased 23.5 percent. While 47 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 \$14.49/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, according to the Hawai'i Appleseed Center for Law and Economic Justice. Moreover, 54 percent of households are cost-burdened, meaning that they pay more than 30 percent of their income for housing costs.

We are in the midst of an affordable housing crisis. For context, 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. The median price of condominiums on O'ahu increased 8.3 percent in 2016 to \$390,000, while the median price for single-family homes increased by 6.5 percent to \$735,000, according to the Honolulu Board of Realtors. The cost of a four-bedroom home in urban Honolulu now exceeds \$1.1 million. At least 40 percent of residences in Hawai'i are owner unoccupied, according to the Hawai'i Housing Finance and Development Corporation, meaning that nearly 50 percent—and by some estimates well over half—of Hawai'i homes are investment properties. Many of those properties are owned by mainland and foreign buyers, whose real estate market speculation is a prime driver of Hawai'i's highest-in-the-nation cost of housing.

Housing costs are driven largely by real estate speculators, who use Hawai'i as their personal luxury row. We must ask ourselves: do we want to continue catering to people who live outside of Hawai'i, but have the resources to maintain a home here, too? Or do we want to create a first-rate education system for our children? According to a study released in May of 2016 by the Hawai'i Department of Business, Economic Development, and Tourism, there are "clear distinctions" between the average price of homes bought by local residents, mainlanders, and foreigners. Analyzing purchases made between 2008 and 2015, DBEDT found: "The average sale price was highest among foreign buyers. The average sale price of the total of 5,775 homes sold to foreign buyers from 2008 to 2015 was \$786,186, 28.3 percent higher than the average sale price to the mainlanders (\$612,770) and 64.7 percent higher than the average sale price to local buyers (\$477,460)." Thus, this constitutional amendment directly impacts real estate speculators driving up housing and, in turn, rental prices in Hawai'i, i.e. those most responsible for pricing families keiki out of paradise.

That said, to advance the state's goal of providing affordable housing to working families and lower-income individuals, we, with our strategic partners at the Hawai'i State Teachers Association, recommend making two amendments to SB 686, SD 1. First, we urge you to increase the exemption for rentals on page 19, line 1 of the bill to apply to any property rented for less than \$2,500, an amount that is roughly \$300 to \$500 greater than the current median rental price for urban Honolulu. Second, we encourage you to add a new exemption to the bill for "property designated for low-income rental housing that is subject to a regulatory agreement," assuring that this proposal does not impede the state's and counties' ability to meet the housing needs of families earning 60 percent of area median income or less.

All children deserve a chance at a brilliant future. Mahalo for the opportunity to testify in support of this bill.

Sincerely,  
Kris Coffield  
*Executive Director*  
IMUAlliance



The Senate  
The Twenty-Ninth Legislature  
Regular Session of 2017

To: Sen. Jill Tokuda, Chair  
Sen. Gilbert Keith-Agaran, Chair  
Sen. Donovan Dela Cruz, Vice Chair  
Sen. Karl Rhoads, Vice Chair

Date: February 28, 2017

Time: 9:50 a.m.

Place: Conference Room 211  
Hawaii State Capitol

**RE: Senate Bill 686 SD1, Relating to Education Funding**

Chair Tokuda, Chair Keith-Agaran and Members of the Committee:

*Rental By Owner Awareness Association (RBOAA) is a Hawaii non-profit corporation founded in 2011, with over 1000 members. Our mission is to provide Hawaii vacation-rental property owners with information to help them comply with the applicable State and County regulations, support the Hawaii economy by offering visitors choice in accommodation, and advocate for the rights of Hawaii vacation property owners. RBOAA members provide transient vacation rentals in full compliance with existing tax and County regulations. RBOAA fully supports enforcement of existing regulations.*

RBOAA must **OPPOSE** the bill.

This bill puts the onus on to the Counties to collect a tax on transient vacation rentals which is then remitted to the State. The irony is not lost on us.

1. All counties already charge a higher property tax rate on properties being used as transient vacation rentals and those not owner-occupied. To be clear, transient accommodation owners are not objecting to the current property tax structure. However, these new surtaxes will add an onerous burden on to property owners already taxed at a higher rate.

This chart provides examples of the difference in rates charged per \$1000 of value for owner-occupied dwellings and non-owner occupied dwellings, including those in resort zones.

2 | SB683 SD1 RELATING TO EDUCATION FUNDING

	Current Owner Occupied	Current Non-owner occupied		SB683 Non-owner occupied (\$500K property)	SB683 Non-owner occupied (\$500K, vacation rental)	
CC Honolulu	\$3.50	\$12.90	3.7x	\$17.40	\$19.23	5.5x
Maui	\$2.70	\$8.71	3.2x	\$13.21	\$15.04	5.6x
Kauai	\$3.05	\$8.85	2.9x	\$13.35	\$15.18	5.0x
Hawaii	\$6.15	\$10.85	1.8x	\$15.35	\$17.18	2.8x

2. Honolulu County has a website with reports on property tax data for the State. \$1.73 Billion of property tax is raised in the State annually based on \$292.6 Billion dollars of property tax assessed value. Looking at the sub-categories of residential investment, time share and vacation rental, the categories targeted by this bill, together these categories pay \$60 million of property tax based on \$5.9 billion dollars of assessed value. This subset of taxpayers represents 2.0% of the assessed value but 3.5% of the property tax paid.
  - a. Source: <https://www.realpropertyhonolulu.com/rpa-report/>
  - b. The property tax system is complex but even if we missed a category, the same relationship holds true.
  
3. In previous testimony on this bill, the teachers union suggested \$500 million could be raised by property taxes on residential investment, time shares and vacation rentals (the sub-group noted above). This represents nearly a ten-fold increase over the current share, but also a 30% increase in the total property tax revenue. Assuming the goal is \$500 million of additional revenue, it would require an increase of \$84 per thousand dollars of assessed value for this sub-set of tax payers! If the \$500 million was applied to all property tax payers, it would become a \$1.70 increase per thousand dollars of assessed value. The numbers serve to highlight how ridiculous this proposal truly is. The numbers also serve to show that broadening the base to something more equitable to all taxpayers would result in relatively minor increases in tax for everyone. Everyone benefits from a good education system.
  
4. This new property tax applies to residential property but does not apply to hotels and inns. As a result, a hotel located next door to a vacation rental property will not be subject to this new property tax surcharge but the vacation rental property will be. RBOAA objects to this lack of fairness.
  
5. The bill should be clarified to confirm that vacation rental properties are not subject to both the residential investment surcharge as well as the visitor accommodation surcharge by amending the definition of residential investment property to exclude transient accommodation. As it is currently worded, vacation rental property owners are the only taxpayers to bear the burden of both the residential surcharge and the visitor accommodation surcharge.



6. The proposed new surcharge on visitor accommodation is administratively burdensome. There is already a mechanism to collect taxes on transient accommodation. There is no benefit to setting up a second tax collection system when the existing system could be expanded. Surely there are less burdensome methods available to collect taxes.

An impact study should also be performed on the tourism industry to determine the price point where tourism volume is negatively impacted by additional surcharges. While most industries are subject only to GET, tourism is subjected to both the GET and the TAT, as well as paying already higher property taxes.

Please do not create bad taxation policy in the interests of political popularity.

Thank you for the opportunity to testify on this measure.

Sincerely,

Neal Halstead  
President,  
Rental by Owner Awareness Association



841 Bishop St., Suite 301  
Honolulu, Hawaii 96813



Telephone: 808 926-1530  
Contact@HEECoalition.org

Committee on Judiciary  
Senator Gilbert Keith-Agaran, Chair  
Senator Karl Rhoads, Vice Chair

Committee on Ways and Means  
Senator Jill Tokuda, Chair  
Senator Donovan Dela Cruz, Vice Chair

February 28, 2016

Dear Chairs Keith-Agaran, Vice Chairs Rhoads and Dela Cruz, and Members of the Committees,

We support both SB683 SD1 and SB686 SD1 proposing a constitutional amendment to allow the legislature to establish a surcharge on residential investment property and visitor accommodations to increase funding for education, and the implementation of the surcharge.

Hui for Excellence in Education, or “HE’E,” is a statewide coalition of diverse stakeholders committed to working collaboratively to identify opportunities to improve public education in Hawai‘i. HE’E seeks to be the nexus for community and parent engagement while serving as a public resource for educational policy.

The Coalition was formed in May 2010 by parents and community members who stood up and said “no” to school furloughs and “yes” to re-establishing education as a public priority. We have been following public education policy at the Board of Education (BOE) and the Hawaii State Legislature consistently since our inception. We are thankful to the legislature for its support of public education; however, we also know that the current funding for education is insufficient to cover the needs of our students, teachers, administrators and schools. An alternative revenue stream dedicated to education is needed.

The BOE recently approved an update of the BOE/DOE Strategic Plan, which puts a focus on the state’s achievement gap that has persisted over the years. We agree that help is most needed for our struggling students. We are concerned for specified groups that need particular attention - students with disabilities, students who do not speak the language of instruction, students with socio-economic challenges, and racial and ethnic groups that have historically not succeeded in our schools relative to others. We feel that the education surcharge would benefit these students.

Thank you for the opportunity to testify. Our support of these bills represents a 75% consensus or more of our voting membership.

Sincerely,

Cheri Nakamura  
HE’E Coalition Director

HE'E Member List

Academy 21

After-School All-Stars Hawaii

Alliance for Place Based Learning

\*Castle Complex Community Council

\*Castle-Kahuku Principal and CAS

Coalition for Children with Special Needs

\*Faith Action for Community Equity

Fresh Leadership LLC

Girl Scouts Hawaii

Harold K.L. Castle Foundation

\*Hawai'i Afterschool Alliance

\*Hawaii Association of School Psychologists

\*Hawaii Appleseed Center for Law and Economic Justice

Hawai'i Athletic League of Scholars

\*Hawai'i Charter School Network

\*Hawai'i Children's Action Network

Hawai'i Nutrition and Physical Activity Coalition

\*Hawaii State PTSA

Hawai'i State Student Council

Hawai'i State Teachers Association

Hawai'i P-20

Hawai'i 3Rs

Head Start Collaboration Office

It's All About Kids

\*INPEACE

Joint Venture Education Forum

Junior Achievement of Hawaii

Kamehameha Schools

Kanu Hawai'i

\*Kaua'i Ho'okele Council

Keiki to Career Kaua'i

Kupu A'e

\*Leaders for the Next Generation

Learning First

McREL's Pacific Center for Changing the Odds

Our Public School

\*Native Hawaiian Education Council

\*Pacific Resources for Education and Learning

\*Parents and Children Together

\*Parents for Public Schools Hawai'i

Punahou School PUEO Program

Teach for America

The Learning Coalition

US PACOM

University of Hawai'i College of Education

YMCA of Honolulu

*Voting Members (\*) Voting member organizations vote on action items while individual and non-voting participants may collaborate on all efforts within the coalition.*



**MAUI**  
CHAMBER OF COMMERCE  
VOICE OF BUSINESS

**HEARING BEFORE THE SENATE COMMITTEE ON JUDICIARY AND LABOR  
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 211  
TUESDAY, FEBRUARY 28, 2017 AT 9:50 A.M.**

To The Honorable Gilbert S.C. Keith-Agaran, Chair;  
The Honorable Karl Rhoads, Vice Chair; and  
Members of the Committee on Judiciary and Labor

**TESTIMONY IN OPPOSITION OF SB686 TO ESTABLISH A SURCHARGE ON  
RESIDENTIAL INVESTMENT PROPERTY AND VISITOR ACCOMODATIONS  
TO INCREASE FUNDING FOR PUBLIC EDUCATION**

Aloha, my name is Pamela Tumpap and I am the President of the Maui Chamber of Commerce, serving in this role for over a decade. I am writing share our opposition to SB686.

While we strongly support public education, we don't believe adding a tax to residential investment property and visitor accommodations is the answer. One of our concerns with the tax on residential investment property is that it would likely be paid by resident renters. There is already a limited quantity of rental properties and rents are extremely high here. We fear that many local renters would not be able to afford the rent increase that could be caused by this additional tax and recognize that we have to balance solutions for all residents and recognize that renters make up over one-third of all Hawaii residents.

In regards to the tax on visitor accommodations, we believe there should not be another tax in addition to the transient accommodations tax that is already in place and considerable. This could greatly harm our visitor industry that has to compete with locations around the world and could drive Hawaii visitors to other markets. The visitor industry is not only very important to our state economy, it is critical to Maui's economy, especially with the recent closing of HC&S.

We appreciate the opportunity to testify on this matter and therefore ask that this bill be deferred.

Mahalo for your consideration of our testimony and we hope you will support a deferral.

Sincerely,

*Pamela Tumpap*

Pamela Tumpap  
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 27, 2017 3:08 PM  
**To:** WAM Testimony  
**Cc:** nwalshjones@aol.com  
**Subject:** Submitted testimony for SB686 on Feb 28, 2017 09:50AM

**SB686**

Submitted on: 2/27/2017

Testimony for WAM/JDL on Feb 28, 2017 09:50AM in Conference Room 211

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Nancy Jones	Hydroponics Alternatives LLC	Support	No

Comments: Honorable Committee Members -- we submit this testimony in support of SB 686/SD 1(HB180) which establishes an education surcharge on residential investment properties and visitor accommodations in order to fund public education. For too long, Hawai'i's teachers have remained consistently underpaid and overworked in educational facilities in desperate need of upgrades for students to learn effectively. Appallingly, Hawai'i's teachers are SO vastly underpaid that over 500 teacher positions have gone unfilled for the 2016-2017 school year. Frankly speaking, as taxpayers, we would rather pay to teach a child now than pay over \$20,000 per year to incarcerate an UNEDUCATED young adult. For all of the above reasons, we respectfully urge you to support changes to HRS Section 302-A in SB 686,SD 1, as amended, and pass this out of your committee. Mahalo for this opportunity to present comments supporting this measure.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)



# Maui Hotel & Lodging

ASSOCIATION

Testimony of

**Lisa H. Paulson**

Executive Director

Maui Hotel & Lodging Association

on

SB686 SD1

**Relating To Education Funding**

COMMITTEE ON JUDICIARY AND LABOR

COMMITTEE ON WAYS AND MEANS

**Tuesday, February 28, 2017, 9:50am**

**Conference Room 211**

Dear Chairs Keith-Agaran and Tokuda, Vice Chairs Rhoads and Dela Cruz, and Members of the Committee,

The Maui Hotel & Lodging Association (MHLA) is the legislative arm of the visitor industry. Our membership includes over 175 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 opposes SB686 SD1**, which establishes an education surcharge on residential investment properties and visitor accommodations for the purpose of funding public education.

Keeping our costs level is critical to our ability to compete against other sun destinations, especially now when we are seeing an increased amount of competition with new resort locations and other destinations' deeply discounted air/hotel packages. The State permanently raised the Transient Accommodations Tax where guests now pay a TAT of 9.25 percent. Coupled with the General Excise Tax, guests pay a 13.41 percent tax on the Neighbor Islands and 13.96 percent on O'ahu. Hawai'i has reached the point where high business costs and tax rates make it increasingly difficult for business to be profitable and competitive, both domestically and internationally.

Last year's (2016) visitor spending brought in \$15.6 billion to the State, with the state's tax take equaling \$1.82 billion. Of that sum, TAT revenues alone accounted for nearly \$447 million for the state's general fund last fiscal year. The hospitality industry should not be seen as an infinitely taxable entity. While the TAT was originally established to promote and market the visitor industry, it has since become a major source of revenue for purposes other than originally intended.

Maui Hotel & Lodging Association is opposed to raising taxes and leveraging extra fees on the visitor industry.

Thank you for the opportunity to testify.

PRESIDENT  
EVAN FUJIMOTO  
GRAHAM BUILDERS, INC.

PRESIDENT-ELECT  
DEAN UCHIDA  
SSFM INTERNATIONAL, INC.

VICE PRESIDENT  
MARSHALL HICKOX  
HOMEWORKS CONSTRUCTION, INC.

SECRETARY  
DWIGHT MITSUNAGA  
DM PACIFIC, INC.

TREASURER  
MICHAEL WATANABE  
JW, INC.

SPECIAL APPOINTEE-BUILDER  
CURT KIRIU  
CK INDEPENDENT LIVING BUILDERS

SPECIAL APPOINTEE-BUILDER  
MARK KENNEDY  
HASEKO CONSTRUCTION MANAGEMENT  
GROUP, INC.

SPECIAL APPOINTEE-ASSOCIATE  
PETER ELDRIDGE  
RAYNOR OVERHEAD DOORS & GATES

IMMEDIATE PAST PRESIDENT  
CRAIG WASHOFSKY  
SERVCO HOME & APPLIANCE  
DISTRIBUTION

CHIEF EXECUTIVE OFFICER  
GLADYS MARRONE  
BIA-HAWAII

**2017 DIRECTORS**

KAREN BERRY  
TRADE PUBLISHING COMPANY

CHRIS CHEUNG  
CC ENGINEERING & CONSTRUCTION, INC.

CLIFTON CRAWFORD  
C & J CONTRACTING, INC.

MARK HERTEL  
INTER-ISLAND SOLAR SUPPLY,  
OAHU-MAUI-HAWAII-KAUI

BRENTON LIU  
DESIGN TRENDS CONSTRUCTION, INC.

SARAH LOVE  
BAYS LUNG ROSE & HOLMA

BEAU NOBMANN  
HPM BUILDING

GARY OKIMOTO  
HONOLULU WOOD TREATING

JACKSON PARKER  
D.R. HORTON, SCHULER DIVISION

DOUGLAS PEARSON  
CASTLE & COOKE HOMES

PAUL D. SILEN  
HAWAIIAN DREDGING  
CONSTRUCTION CO. INC.

ALAN TWU  
HK CONSTRUCTION CORP.

MAILING:  
P.O. BOX 970967  
WAIPAHU, HAWAII 96797-0967

PHYSICAL:  
94-487 AKOKI STREET  
WAIPAHU, HAWAII 96797

**Testimony to the Senate Committees on Judiciary & Labor; and  
Senate Committee on Ways & Means  
Tuesday, February 28, 2017  
9:50 a.m.  
Conference Room 211**

**RE: SB 686 SD1, RELATING TO EDUCATION FUNDING, AND  
SB 683 SD1 PROPOSING AMENDMENTS TO ARTICLES VII AND X OF THE  
CONSTITUTION OF THE STATE OF HAWAII TO AUTHORIZE THE  
LEGISLATURE TO ESTABLISH A SURCHARGE ON RESIDENTIAL  
INVESTMENT PROPERTY AND VISITOR ACCOMMODATIONS TO  
INCREASE FUNDING FOR PUBLIC EDUCATION**

Chairs Tokuda & Keith-Agaran, Vice Chairs Dela Cruz & Rhoads, and members of the committees:

My name is Gladys Quinto Marrone, CEO of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

BIA-HAWAII strongly opposes SB 683, SD 1, which proposes to amend the Constitution of the State of Hawaii to advance the State's goal of providing a quality education for the children of Hawaii by authorizing the legislature to establish, as provided by law, a surcharge on residential investment property and visitor accommodations.

BIA-HAWAII also strongly opposes SB 686, SD 1, which would establish an education surcharge on residential investment properties and visitor accommodations for the purpose of funding public education.

The package of bills proposes to implement a constitutional amendment permitting the legislature to establish a surcharge on visitor accommodations and residential investment properties to fund the department of education, and then a statutory mechanism to implement the program. The statutory bill proposes two new taxes, one on residential investment property and one to assess visitor stay on a per day basis.

While we strongly support the efforts to provide quality public education in our state, we are concerned that there is no clear amount designated as a sufficient amount of funds for education. We are also concerned with the approach to create new assessments, or taxes on activities with no nexus to the end user or, worse, taxes on one group of residents and not others. On taxing residential investment property, the resident renter will likely pay the tax. Hawaii has approximately a 55%+ homeowner rate. That would suggest that about 40-45% of all residents living in the state are renting. This would create an unfair tax burden on renters and increase the cost of housing for all residents, which this bill in part tries to address for teachers. As far as we can tell, resident homeowners would not be affected by this tax. This appears to be an unfair targeted tax and could create a further economic divide between homeowners and renters. A renter in a \$400,000 valued residential property could

property could be affected by this tax to the amount of an additional \$1,400 per year. For someone renting the average home value or \$760,000 the tax could be over \$4,100 each year. Even though there are exemptions for certain types of residential units, it could skew the marketplace and adversely affect the rental market. It is also unclear on a practical level how these exemptions will be monitored and enforced. We are not sure the Superintendent is the best lead enforcement person even with the help of the state and county director of finance. In addition, the resources by the state and county to administer and enforce this new law are not addressed in the bill. Furthermore, the new administrative burden by homeowners may again negatively affect the marketplace.

For the tax on tourism, there is already a 13.75% tax rate on transient accommodations. We think the per-day tax could hurt tourism and damage further investment by transient accommodation owners into Hawaii's properties. It will also place an additional and complicated burden on transient accommodation operators as they will have to track and report on two different types of accommodation taxes. Transient accommodation companies already provide huge tax revenues to the state in TAT, GE and the income taxes for the thousands of jobs that they provide in our state.

We ask these bills be deferred. We appreciate the opportunity to provide our input on this important legislation.

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 27, 2017 11:54 AM  
**To:** WAM Testimony  
**Cc:** keith@crhmaui.com  
**Subject:** Submitted testimony for SB686 on Feb 28, 2017 09:50AM

**SB686**

Submitted on: 2/27/2017

Testimony for WAM/JDL on Feb 28, 2017 09:50AM in Conference Room 211

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Keith DeVey	Condominium Rentals Hawaii	Oppose	No

Comments: I do not agree with additional taxing on investment properties.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)



**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 27, 2017 4:25 PM  
**To:** WAM Testimony  
**Cc:** tammy@crhmaui.com  
**Subject:** \*Submitted testimony for SB686 on Feb 28, 2017 09:50AM\*

**SB686**

Submitted on: 2/27/2017

Testimony for WAM/JDL on Feb 28, 2017 09:50AM in Conference Room 211

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Tammy Sylva	Condominium Rentals Hawaii	Oppose	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)



February 28, 2017

TO: COMMITTEE ON JUDICIARY AND LABOR  
SENATOR GILBERT KEITH-AGARAN, Chair Judiciary and Labor Committee  
SENATOR KARL RHOADS, Vice-Chair Judiciary and Labor Committee

COMMITTEE ON WAYS AND MEANS  
SENATOR JILL TOKUDA, Chair Ways and Means Committee  
SENATOR DONOVAN DELA CRUZ, Vice-Chair Ways and Means Committee

FR: American Resort Development Association (ARDA) Hawaii  
Blake Oshiro, Acting Executive Director

RE: Senate Bill 686, SD1 Relating To Education - **Oppose**

Senate Bill 683, SD1 Proposing Amendments To Articles VII And X Of The Constitution Of The State Of Hawaii To Authorize The Legislature To Establish A Surcharge On Residential Investment Property And Visitor Accommodations To Increase Funding For Public Education – **Oppose**

Dear Chair Keith-Agaran, Chair Tokuda, Vice-Chair Rhoads, Vice-Chair Dela Cruz, Members of the Judiciary and Labor Committee and Members of the Ways and Means Committee:

Thank you for the opportunity to testify on the proposed Constitutional Amendment and the statutory counterpart bills. On behalf of the American Resort Development Association (ARDA) Hawaii, the time share association, we respectfully **oppose** these bills.

While the discussion and policy decisions about the proper level of funding for public education is an important one that has been ongoing for several years, the approach taken in these bills seeks to have one sector of the economy bear that burden. This is an unfair targeting of one industry to be taxed. While this does not necessarily mean ARDA-Hawaii supports a large broad-based tax increase, it is much more reasonable for our community to engage in policy discussion on the amount and source of education funding. Moreover, these proposals single-out one area and type of property and property owners/users to have to pay these fees for services and programs which do not have a direct nexus to the surcharge that is sought to be imposed.

Our tourism industry remains state's top economic driver. Unfortunately, our other important economic driver, the military support and spending, is also tenuous and uncertain due to changes at the federal level in the past few years including sequestration, the elimination of earmarked appropriations or "pork-barrel" projects, and loss of congressional seniority. This compounded by an uncertain and yet to be determined approach by the new federal Administration. As such, additional targeted fees or taxes on our visitor accommodations has the potential to drag down our tourism market momentum and inhibit Hawaii's continued cost-competitiveness as a sought-after tropical destination.

It is for these reasons that ARDA-Hawaii must respectfully oppose these bills. Thank you for the opportunity to testify.



**S E A C**  
**Special Education Advisory Council**

919 Ala Moana Blvd., Room 101

Honolulu, HI 96814

Phone: 586-8126 Fax: 586-8129

email: [spin@doh.hawaii.gov](mailto:spin@doh.hawaii.gov)

February 28, 2017

**Special Education  
Advisory Council**

Ms. Martha Guinan, *Chair*  
Ms. Dale Matsuura, *Vice Chair*  
Dr. Patricia Sheehey, *Vice  
Chair*  
Ms. Ivalee Sinclair, *Vice Chair*

Ms. Brendelyn Ancheta  
Dr. Robert Campbell, *liaison  
to the military*  
Ms. Deborah Cheeseman  
Ms. Annette Cooper  
Ms. Gabriele Finn  
Mr. Sage Goto  
Ms. Valerie Johnson  
Ms. Bernadette Lane  
Ms. Kaili Murbach  
Ms. Stacey Oshio  
Ms. Kau'i Rezentos  
Ms. Charlene Robles  
Ms. Rosie Rowe  
Mr. James Street  
Dr. Todd Takahashi  
Dr. Daniel Ulrich  
Mr. Steven Vannatta  
Mr. Gavin Villar  
Dr. Amy Wiech  
Ms. Jasmine Williams  
Ms. Susan Wood

Amanda Kaahanui, Staff  
Susan Rocco, Staff

Senator Gilbert S.C. Keith-Agaran, Chair  
Committee on Judiciary and Labor  
Senator Jill N. Tokuda, Chair  
Committee on Ways and Means  
State Capitol  
Honolulu, HI 96813

RE: SB 683, SB 1 and SB 686, SB 1 - Relating to Education Funding

Dear Chairs Keith-Agaran and Tokuda and Members of the Committees,

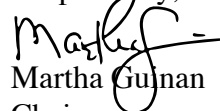
The Special Education Advisory Council (SEAC), Hawaii's State Advisory Panel under the Individuals with Disabilities Education Act (IDEA), **supports the intent** of the above bills to increase funding for public education in Hawaii.

Hawaii serves a smaller percentage of students with disabilities compared to the entire student population than the national average--10.4% compared to 12.9% for most states--which may indicate that we are not identifying and serving all students who are eligible for special education services. Those who are served have experienced lackluster progress and a growing achievement gap with their non-disabled peers. Hawaii also serves significantly fewer children in the general education classroom contrary to IDEA mandates for placement in the least restrictive environment.

To address these inequities will take additional resources, including higher teacher pay to attract more qualified teachers to the field, smaller class sizes to encourage greater inclusion and specialized services and supports to meet the unique learning needs of these students. An enhanced funding stream for public education would benefit ALL children in Hawaii, including those who are most vulnerable to academic failure.

Thank you for the opportunity to provide testimony on this important legislation. If you have questions or concerns, please contact me.

Respectfully,

  
Martha Guinan  
Chair

  
Ivalee Sinclair  
Legislative Committee Chair

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, February 25, 2017 6:14 AM  
**To:** WAM Testimony  
**Cc:** mguardino@hotmail.com  
**Subject:** Submitted testimony for SB686 on Feb 28, 2017 09:50AM

**SB686**

Submitted on: 2/25/2017

Testimony for WAM/JDL on Feb 28, 2017 09:50AM in Conference Room 211

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

Comments: Chair Tokuda, Chair Keith-Agaran and Members of the Committees: My name is Maria Guardino. I am a teacher from Kawanānakoā Middle School on Oahu. I have been a teacher in Hawaii public schools for 13 years. I serve students who come from other countries and are new to the English language. Please pass SB 683 and SB 686 to increase funding for public schools. Our children are our future. When teachers instruct their students, they build the foundation for equality and prosperity for tomorrow's generations. Supporting these proposals will lift Hawaii's schools into the 21st Century. A vote for these measures is a vote for lower class sizes that allow teachers to meet their students' various needs, whole child education that includes the arts and Hawaiian studies, providing resources and services for students with special needs and professional pay that reflects the value of our hardworking teachers. We need additional funding for our public schools, because right now, I'm teaching students who do not have daily access to computers/technology. We must provide for our public schools the tools students need to grow into 21st Century capable, confident citizens. To deliver the schools our keiki deserve, please support these bills. We need your help. Mahalo. Maria Guardino EL teacher Honolulu, Oahu

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, February 25, 2017 6:42 PM  
**To:** WAM Testimony  
**Cc:** bestb002@hawaii.rr.com  
**Subject:** \*Submitted testimony for SB686 on Feb 28, 2017 09:50AM\*

**SB686**

Submitted on: 2/25/2017

Testimony for WAM/JDL on Feb 28, 2017 09:50AM in Conference Room 211

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

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)

TESTIMONY BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS AND THE COMMITTEE  
ON JUDICIARY AND LABOR

RE: STRONG SUPPORT OF SB 683 and SB 686 RELATING TO EDUCATION.

TUESDAY, FEBRUARY 28, 2017, 9:50 a.m.

Aloha Chair Tokuda, Chair Keith-Agaran and Members of the Committees:

My name is Dr. Kū Kahakalau. I became a certified DOE teacher in 1985 and been involved in public education ever since. I urge you to please pass SB 683 and SB 686 to increase funding for public schools.

Our children are our future. When teachers instruct their students, they build the foundation for equality and prosperity for tomorrow's generations. Every dollar invested in our community's public schools yields exponential returns, not just for our economy, but for the promise of a more open and democratic society.

Supporting these proposals will lift Hawai'i's schools into the 21st Century. A vote for these measures is a vote for lower class sizes that allow teachers to connect with their students, whole child education that includes the arts and Hawaiian studies, providing resources and services for students with special needs and professional pay that reflects the value of our hardworking teachers.

Our keiki deserve a quality public school education. By supporting these bills, you can help to make that happen. Mahalo.

Me ka pono,

A handwritten signature in black ink, appearing to read 'Kū Kahakalau', written in a cursive style.

Kū Kahakalau, Ph.D.  
P.O. Box 1764  
Honoka'a, Hawai'i 96727  
(808) 775-0867

Kū-A-Kanaka  
When Hawaiians thrive everyone will benefit!

Aloha,

My name is Shane Albritton, and I am a history teacher at H.P. Baldwin High School on Maui.

I am writing to support SB686, which would “establish an education surcharge on residential investment properties and visitor accommodations for the purpose of funding public education.”

I believe this measure would be doubly beneficial to the working people of Hawaii, our teachers and our students, in that it would provide a much needed boost in funding to our public schools, as well as some measure of control over the skyrocketing cost of rentals in our state.

As a third year teacher with a Master’s degree, I still struggle to make ends meet. In the incredibly inflated housing market on Maui, my housing costs account for over 40% of my net income.

It is clear to everyone on Maui that property owners using their second and third properties as vacation rentals has driven the cost of long term rentals to the point of being unaffordable for working families.

I respectfully urge the legislature to take the welfare of our students, teachers, and working families seriously. The owners of these “investment properties” can afford a surcharge on their disposable income.

Mahalo,

Shane Albritton  
H.P. Baldwin High School

Aloha,

My name is Madison Furlong, and I am a nursing student at UH Maui.

I am writing to support SB686, which would “establish an education surcharge on residential investment properties and visitor accommodations for the purpose of funding public education.”

I believe this measure would be doubly beneficial to the working people of Hawaii, our teachers and our students, in that it would provide a much needed boost in funding to our public schools, as well as some measure of control over the skyrocketing cost of rentals in our state.

As the spouse of a third year teacher with a Master’s degree, we still struggle to make ends meet. In the incredibly inflated housing market on Maui, my housing costs account for over 40% of our net income.

It is clear to everyone on Maui that property owners using their second and third properties as vacation rentals has driven the cost of long term rentals to the point of being unaffordable for working families.

I respectfully urge the legislature to take the welfare of our students, teachers, and working families seriously. The owners of these “investment properties” can afford a surcharge on their disposable income.

Mahalo,

Madison Furlong



**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, February 26, 2017 2:12 PM  
**To:** WAM Testimony  
**Cc:** chris@mentzel.com  
**Subject:** \*Submitted testimony for SB686 on Feb 28, 2017 09:50AM\*

**SB686**

Submitted on: 2/26/2017

Testimony for WAM/JDL on Feb 28, 2017 09:50AM in Conference Room 211

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

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)

**From:** [JDLTestimony](#)  
**To:** [WAM Testimony](#)  
**Subject:** FW: SB 683 and SB 686 RELATING TO EDUCATION.  
**Date:** Sunday, February 26, 2017 12:48:31 PM

---

fyi

**From:** Lisa Maria [mailto:lisa.on.lanai@gmail.com]  
**Sent:** Sunday, February 26, 2017 7:06 AM  
**To:** JDLTestimony <JDLTestimony@capitol.hawaii.gov>  
**Subject:** Fwd: SB 683 and SB 686 RELATING TO EDUCATION.

Chair Tokuda, Chair Keith-Agaran and Members of the Committees:

Please pass SB 683 and SB 686 to increase funding for public schools. I am a teacher from Maui District and I work at Lanai High School. I stumbled across an old memo regarding funds for departments at our school this week. A dozen years ago each department received 2-4 times what we receive now. I am shocked. As prices go up on supplies for school, and our own personal needs on the home front, both teachers' salaries and monies directed for basic classroom supplies go down. Why?!

Every dollar invested in our community's public schools yields exponential returns, for our children, our economy, and for a better democratic society in Hawaii and the country. Democrats and teachers know this. This is why we voted you into power.

A vote for these measures is a vote for: lower class sizes that allow teachers to connect with their students; whole child education that includes the arts and Hawaiian studies; resources and services for students with special needs, and for; professional pay that reflects the value of our hardworking teachers.

We need additional funding for our public schools, because low pay and a lack of resources are driving teachers out of the profession. Every year we hire new teachers on Lanai, and they like it here and want to stay. But new teachers cannot afford to pay rent and buy food on their current salaries. They take extra jobs, but soon become too exhausted to continue living this way. They leave the profession entirely, or go to the mainland where conditions are better. The endless attrition demoralizes those who stay because so much time is wasted mentoring new and emergency hire teachers over and over, at the cost of providing students with a well-planned curriculum as they matriculate from grade to grade.

To deliver the schools our keiki deserve, please support these bills. We need your help. Mahalo.

Lisa Galloway, PhD  
Lana'i High School  
PO Box 630630  
Lana'i City, HI 96763  
[\(808\) 565 7900](tel:(808)5657900)



**From:** [JDLTestimony](#)  
**To:** [WAM Testimony](#)  
**Subject:** FW: SB 683 and SB 686  
**Date:** Sunday, February 26, 2017 12:48:51 PM

---

fyi

**From:** Sarah Shewmaker [mailto:sarahshew79@gmail.com]  
**Sent:** Saturday, February 25, 2017 4:24 PM  
**To:** JDLTestimony <JDLTestimony@capitol.hawaii.gov>  
**Subject:** SB 683 and SB 686

My name is Sarah Shewmaker. I am a teacher from Makawao on Maui. Please pass SB 683 and SB 686 to increase funding for public schools.

Our children are our future. When teachers instruct their students, they build the foundation for equality and prosperity for tomorrow's generations. Every dollar invested in our community's public schools yields exponential returns, not just for our economy, but for the promise of a more open and democratic society.

Supporting these proposals will lift Hawai'i's schools into the 21st Century. A vote for these measures is a vote for lower class sizes that allow teachers to connect with their students, whole child education that includes the arts and Hawaiian studies, providing resources and services for students with special needs and professional pay that reflects the value of our hardworking teachers.

The funds could assist in rebuilding some of our older schools that are falling apart. My classroom is riddled with termites, which cause enough damage to dismantle the cupboards that hold all of our books. Many rooms in our school have fallen into disrepair. In order to make students feel excited and happy to be at school, the school environment should reflect an atmosphere of just that. It is difficult to take pride in your school when it is being eaten away by bugs.

Thank you for your consideration and dedication to our keiki.

-Sarah Shewmaker

**From:** [JDLTestimony](#)  
**To:** [WAM Testimony](#)  
**Subject:** FW: Testimony for SB 683 and SB 686 RELATING TO EDUCATION.  
**Date:** Sunday, February 26, 2017 3:05:23 PM  
**Attachments:** [image.png](#)

---

fyi

**From:** Jody Brown [mailto:jodybro@gmail.com]  
**Sent:** Sunday, February 26, 2017 2:55 PM  
**To:** JDLTestimony <JDLTestimony@capitol.hawaii.gov>  
**Subject:** Testimony for SB 683 and SB 686 RELATING TO EDUCATION.

Chair Tokuda, Chair Keith-Agaran and Members of the Committees:

My name is Jody Brown and I am the librarian at Kalama Intermediate School in Makawao, Maui. I became a high school teacher (at age 21 in 1988) because I love people and I want every student to enjoy learning in order to forge the best life possible for themselves and their communities. From 1991 to 2003, I taught at the Grossmont Union High School District in Southern California. In 2002-2003, I earned just over \$60,000 in a community whose cost of living is a little less expensive than here on Maui.

My husband's job as a high school teacher brought us to Maui in June 2003 and after earning my (second) master's degree in Library and Information Science from UH Manoa, I started with the HIDOE at about \$47,000 per year in 2006. Now, 11 years later, I'm up to about \$53,000 per year. 11th year teachers with 2 master's degrees at the GUHSD now make \$88,000 per year. *(I am discounting the additional salary I would have earned because of my previous 13 years with GUHSD because the HIDOE awarded me exactly zero years of service when I began here.)*

The **total loss** I have incurred from teaching **11 years** in Hawaii is now **\$270,000**. Here is the spreadsheet I just made in order to provide quantifiable evidence in my testimony:

<https://goo.gl/42eqoB>



*Everyone knows that teachers teach for far more than than just our salaries. But why should I have to suffer so extremely simply because I love children and want to make*

*the world a better place? Don't you want caring, dedicated, well-trained professionals to care for Hawaii's most important resource-- our children?*

Thank you so much for considering SB 683 and SB 686. Please use my experience as a tool to show Hawaii's legislation why so many of Hawaii's most dedicated educators are finding fulfilling careers on the mainland where they will be compensated as the professionals they are.

With Warmest Aloha,  
Jody Brown,  
Kalama Intermediate School Librarian, M.Ed., MLISC.

P.S. Would you do my job for my salary?

**P.P.S. Please come to Kalama Library to see all the exciting ways we are integrating technology into education to make learning fun, amazing and engaging!**

Kalama Library  
120 Makani Road  
Makawao, HI 96768  
[\(808\)573-8752](tel:(808)573-8752)  
[jody\\_brown@notes.k12.hi.us](mailto:jody_brown@notes.k12.hi.us)

**From:** [imelda amano](#)  
**To:** [WAM Testimony](#)  
**Subject:** Testimonial for Education  
**Date:** Sunday, February 26, 2017 3:31:14 PM

---

Chair Tokuda, Chair Keith-Agaran and Members of the Committees:

My name is Imelda Amano,

I am a SCHOOL LIBRARIAN from HONOLULU DISTRICT on OAHU. Please pass SB 683 and SB 686 to increase funding for public schools.

Our children REALLY ARE OUR FUTURE! When teachers instruct their students, they build the foundation for equality and prosperity for tomorrow's generations. Every dollar invested in our community's public schools yields exponential returns, not just for our economy, but for the promise of a more open and democratic society.

Supporting these proposals will lift Hawai'i's schools into the 21st Century. A vote for these measures is a vote for lower class sizes that allow teachers to connect with their students, whole child education that includes the arts and Hawaiian studies, providing resources and services for students with special needs and professional pay that reflects the value of our hardworking teachers.

We need ***additional funding for our public schools, specifically for our resource teachers, such as art, music, PE and school librarians. These personnel offer an element of diversity in our general curriculum. School librarians specifically help students learn how to locate, evaluate and creatively share information. School librarians help students with learning digital tools such as Google Docs and various apps to present research in dynamic formats.***

Additional funding helps to keep these resource personnel as "essential personnel" at every campus!

Our keiki and educators deserve only the best, please support these bills. We need your help. Mahalo.

Mrs. Imelda Amano, Honolulu District, Oahu

**From:** [Sam Halsted](#)  
**To:** [WAM Testimony](#)  
**Subject:** SB683 SB686  
**Date:** Sunday, February 26, 2017 3:58:43 PM

---

My name is Sam k. Halsted. I am a teacher from Waiakea Distict on the Big Island. Please pass SB 683 and SB 686 to increase funding for public schools.

Our children are our future. When teachers instruct their students, they build the foundation for equality and prosperity for tomorrow's generations. Every dollar invested in our community's public schools yields exponential returns, not just for our economy, but for the promise of a more open and democratic society.

Supporting these proposals will lift Hawai'i's schools into the 21st Century. A vote for these measures is a vote for lower class sizes that allow teachers to connect with their students, whole child education that includes the arts and Hawaiian studies, providing resources and services for students with special needs and professional pay that reflects the value of our hardworking teachers.

Sent from my iPhone



**From:** [Osa A. Tui, Jr.](#)  
**To:** [WAM Testimony](#)  
**Subject:** Testimony in support of SB683 and SB686  
**Date:** Saturday, February 25, 2017 9:09:36 AM

---

Testimony for: Joint WAM and JDL Committee  
SB 683 and SB 686 - RELATING TO EDUCATION  
Hearing on Tuesday, February 28, 2017  
9:50am

Chair Tokuda, Chair Keith-Agaran and Members of the Committees:

I am Osa Tui, Jr., a teacher at McKinley High School on Oahu. I have been a teacher for 18 years. Please pass **SB683** and **SB686** to increase funding for public schools.

Our children are our future. When teachers instruct their students, they build the foundation for equality and prosperity for tomorrow's generations. Every dollar invested in our community's public schools yields exponential returns, not just for our economy, but for the promise of a more open and democratic society.

Supporting these proposals will lift Hawai'i's schools into the 21<sup>st</sup> century. A vote for these measures is a vote for lower class sizes that allow teachers to connect with their students, whole child education that includes the arts and Hawaiian studies, resources for special needs students, and professional pay that reflects the value of our hardworking teachers.

We need additional funding for our public schools, because our facilities are aging and our keiki need the best and the brightest educators attracted to the profession in order to maximize their full potential.

To deliver the schools our keiki deserve, please support these bills. Mahalo.

Thank you for your time,  
Osa Tui, Jr.  
McKinley High School  
Oahu

**From:** [Anjanette Naganuma](#)  
**To:** [WAM Testimony](#)  
**Subject:** RE: SB 683 and SB 686 RELATING TO EDUCATION.  
**Date:** Saturday, February 25, 2017 8:50:39 PM

---

Chair Tokuda, Chair Keith-Agaran and Members of the Committees:

My name is Anjanette Naganuma. I am a teacher from Lahainaluna High School, Maui District. Please pass SB 683 and SB 686 to increase funding for public schools.

Our children are our future. When teachers instruct their students, they build the foundation for equality and prosperity for tomorrow's generations. Every dollar invested in our community's public schools yields exponential returns, not just for our economy, but for the promise of a more open and democratic society.

Supporting these proposals will lift Hawai'i's schools into the 21st Century. A vote for these measures is a vote for lower class sizes that allow teachers to connect with their students, whole child education that includes the arts and Hawaiian studies, providing resources and services for students with special needs and professional pay that reflects the value of our hardworking teachers.

We need additional funding for our public schools, because my students come to school and wonder why the office is air-conditioned, but not their classrooms. They wonder why the classroom next door is air-conditioned, but not their class with me. We are left try to explain that the community donates, but money is limited. My classrooms are hot, dusty, and crowded. You can't count on trade winds, and the vog and heat make us all cranky. They wonder why as "21st Century learners" who must "compete in the global economy" the state makes them make do with piecemeal curriculum in certain subjects because their teachers must choose between technology, books, supplies, or replacing furniture. It is difficult to build continuity and maintain goals when half the staff has less than 5 years experience at the school in any given year since 1999.

I graduated from the high school at which I teach. My students are the children of my classmates and my extended family. I have deep roots in the community and this helps me build relationships and offer real world experience.

To deliver the schools our keiki deserve, please support these bills. We need your help. Mahalo.

Anjanette Naganuma, Maui Island, Maui District

To: Hawaii State Legislature  
From: Deborah Bond-Upson  
Date: February 27, 2017  
Re: SB 683 and SB 686

I have spent decades in support of public education and working in the education sector in education innovation for non-profit and for-profit education networks of schools, publishers, teacher professional development curriculum solutions.

For the past seven years I have lived in Hawaii and have been active as a board member of Parents for Public Schools Hawaii. With PPS-HI, I have visited many schools and helped to deliver evening “Transition Night” sessions with parents, principals, teachers and community members. Several years ago, I developed a US DOE i3 grant proposal for Hawaii schools with the National Board for Professional Teaching Standards with support of then Governor Abercrombie, HSTA, and HI DOE innovation department. We did not receive the grant, but the work gave me more insight into Hawaii school needs.

Classrooms without permanent teachers or substitute teachers certified or even familiar with their subject are alarming for parents and students through out the state. This urgent situation is caused by Hawaii teacher salaries near the bottom of U.S. state rates at the same time our state has higher cost of living. As a result teachers are unable to continue teaching in Hawaii or are forced to take on additional jobs.

Teaching is a demanding and complex task—especially with students of diverse languages and cultures. Educators know that teachers reach experienced quality teaching in their 7<sup>th</sup> year of teaching. Yet our Hawaii teachers average 5 years in the job due to salary and working condition issues.

In addition to underpay, teachers and students must attempt learning in schools with safety issues and classrooms without air-conditioning. Teachers and students have fainted and in some cases had to go to the hospital.

Our aim is to nurture lifelong learning skills for students, the motivation to stay in Hawaii, and mastery of academics, career and college readiness. To achieve economic stability and growth, we must develop and group new businesses in Hawaii, providing the education needed to staff those industries of today and tomorrow.

Of course it is difficult for Hawaii residents to endure increases in taxes. But the tax increases suggested are the most bearable. Further, enacting this surcharge tax will enable success of students and retention of teachers and success of students, which will raise the quality of life in Hawaii and ensure a sustainable future.

For these reasons and more, I urge you to act on behalf of our keiki, our teachers, and the economic health of our state—by passing SB 683 and SB 686.

I thank you for considering my comments. Mahalo.

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 27, 2017 1:40 AM  
**To:** WAM Testimony  
**Cc:** kinikalela\_m@mail.com  
**Subject:** \*Submitted testimony for SB686 on Feb 28, 2017 09:50AM\*

**SB686**

Submitted on: 2/27/2017

Testimony for WAM/JDL on Feb 28, 2017 09:50AM in Conference Room 211

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

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)

TESTIMONY BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS AND  
THE COMMITTEE ON JUDICIARY AND LABOR

RE: SB 683 and SB 686 SD1 RELATING TO EDUCATION.

POSITION: STRONGLY SUPPORT

TUESDAY, FEBRUARY 28, 2017, 9:50 a.m.

Chair Tokuda, Chair Keith-Agaran and Members of the Committees:

My name is Mireille Ellsworth, an English and Drama Teacher at Waiakea High School in Hilo. I would like to ask that you join pass and advance SB 683 & SB 686 SD1 for increased funding for public education. We need to put this on the ballot and give our taxpayers the right to vote on this. I regret that I am unable to afford to come to Oahu to testify in person today, so I humbly ask that you read this testimony to understand a classroom teacher's perspective.

Allow me to give you the reality as to how funding affects my students, especially in the elective classes that I teach. Waiakea High School prides itself on its Smaller Learning Communities framed around career academies, and I teach two sections of drama. However, this program is crippled in the scope of how far I can take my students in the performing arts. Our school of nearly 1200 students does not have a theater. We don't even have a "multi-purpose room" like many other schools have. The major fundraiser for our student activities program is our annual Variety Show, but annually, we must hire professional lighting and sound companies to help us set up a make-shift performance space in the gym. This eats into the money students could use for their extra-curricular activities. Our local Waiakea Lions Club donated a platform which serves as a make-shift stage in our cafeteria, but there is no "backstage" nor theatrical lighting available nor is there even a curtain.

In order to teach the acting classes and put on productions, the school's head custodian and I jerry-rigged the only "curtain" I could afford given my budget of less than \$300 the year we put it up in the classroom I use. We installed a cable that crosses the room about 12 feet high, and I literally used rolls of black plastic from Home Depot which is used to cover floors when painting, taped the panels of plastic together with black Gorilla duct tape, and punched holes and used black zip ties as curtain hooks. I must train the student actors to stop saying lines when other actors are entering and exiting the stage because of the loud plastic rustling of the "curtain." We have a few theatrical stage lights, but no lighting board, so students sit below each light and turn it on and off using a switch on a power bar. If we turn on more than four stage lights simultaneously, the whole building's circuit breakers trip, powering down two other classrooms. In fact, our class has inadvertently set off the school's fire alarm when we tried to use a smoke machine for special effects because the room is not meant to be a theater.

I have students taking acting more than one year in their high school experience, some even for all four years of high school. There have been amazing productions, many student-written and student-directed. Autistic students have miraculously come out of their shell and found theater their niche in high school. Students who have disabilities have blossomed in this program. One example is a student with a writing disability who realized the importance and significance of punctuation when he heard his peers doing a "cold reading" of his script that he had written. He was so motivated to learn the details of writing mechanics after that revelation! The head of the Performing Arts Department at the University of Hawaii at Hilo, Jackie Pualani Johnson, has even nominated our humble drama program to travel to Edinburgh, Scotland to participate in the Fringe Festival, but I had to turn down this incredible opportunity because of a lack of funding. I'm almost embarrassed to bring students to such a prestigious event because my students do not know anything about stagecraft or building sets under our present restrictions. It is shameful and much less than the students deserve.

This school year alone, I have spent over \$400 of my own personal funds purchasing props and even a piece of used furniture off Craigslist because of the odd things we need for play productions. Two of my seniors have written and are now directing their original productions and need certain items to make their dream and vision come true! If you want to see the ultimate in student-centered learning and peers leading peers, you ought to visit one of my acting classes' rehearsals. It is exciting and an incredible cooperative and creative student-led learning experience.

Personally, the lack of funding for teacher salaries has affected me and made me question whether or not I can stay teaching in Hawai'i. I am a very thrifty person, and as a single person, I cannot afford to buy a house. I have excellent credit, and the only way I have been able to stay teaching here is to take out personal loans and juggle credit card debt. Any travel to see my two kids and my granddaughter has been subsidized by other members of my family. In fact, I haven't been able to afford to see them for two years now. It's shameful that as a working professional who holds a master's degree (that DOE does not pay me for) at over 50 years old, I depend on family to donate mileage to be able to see them. At present, I own a 2003 vehicle which I can barely afford to keep on the road with repair and maintenance bills, and I'm \$40,000 in debt just affording the basic necessities like food and rent. I still have student loan debt as well. I have no savings and struggle to help my adult kids cover their power bill once or twice a year since they are part of the working poor living in Los Angeles. My two sons live together and share a car working different shifts. I want to cry thinking about how well they did in high school, yet as a single parent, the cost of finishing college was prohibitive for us as a family, even if they only went to school one at a time.

Furthermore, I have not recovered from the reduction in salary I experienced under Furlough Fridays. What made my situation worse was that shortly after that, I was diagnosed with breast cancer which forced me to go further into debt. Since my treatment was only available on Oahu and I live on the Big Island, I had to pay for over a month's worth of hotel accommodations which were not covered by my medical insurance. Without family in Hawaii, I got help from a friend willing to drop everything and nurse

me on Oahu, but of course, I had to provide for her expenses. It is sad to think that teachers like me are only one major illness or serious accident away from financial ruin, even with health insurance.

I have a hard time promoting college to students whose socio-economic status is the same or worse than mine because sadly, as much as I love teaching and feel it is the most rewarding profession there is, I know affording college is such a struggle. It would be compromising my personal integrity to encourage young people to choose teaching as a career choice as I myself feel I am in a dead-end job. Teaching salaries in Hawai'i not only do not keep up with inflation, this salary is putting me further into debt and making my prospects for any possibility of retiring comfortably actually impossible. There will be a breaking point, and if teachers' salaries remain stagnant, I will be forced to leave.

Funding for education in Hawai'i is critical. This community has been polled and is willing to provide the types of schools our keiki deserve. It is now in the hands of our decision makers to follow the will of the people to keep qualified, passionate teachers in our classrooms and provide the support for programs that excite kids about learning and keep them motivated in their more challenging subjects.

Thank you for your time and attention,

Mireille Ellsworth,  
English and Acting Teacher,  
Waiakea High School  
Hilo, Hawai'i  
mireilleellsworth@yahoo.com

RE: SB 683 and SB 686 RELATING TO EDUCATION.

TUESDAY, FEBRUARY 28, 2017

9:50 a.m.

Chair Tokuda, Chair Keith-Agaran and Members of the Committees:

My name is Rosemary Summers. I am a teacher from the Windward District on Oahu. Please pass SB 683 and SB 686 to increase funding for public schools.

Our children are our future. When teachers instruct their students, they build the foundation for equality and prosperity for tomorrow's generations. Every dollar invested in our community's public schools yields exponential returns, not just for our economy, but for the promise of a more open and democratic society.

Supporting these proposals will lift Hawai'i's schools into the 21st Century. A vote for these measures is a vote for lower class sizes that allow teachers to connect with their students, whole child education that includes the arts and Hawaiian studies, providing resources and services for students with special needs and professional pay that reflects the value of our hardworking teachers.

We need additional funding for our public schools, because it will benefit the children of Hawaii's future. As a teacher I love my students and sometimes feel so sad that our country/state does not support public education more. Public education is the heart of America. It is our responsibility as adults to make sure that we set up our students for a successful future and we'll do that best by funding their education. As an educator I get about \$400 per year for a class of 20 - 30 students. I do not mean to be ungrateful by it is not enough. Because I love and care about my students I spend an additional \$800 a year to help pay for supplies and computer programs that will help my students succeed. If you fund children's education the future dividends have no equal! Quality funded education offers children a chance to make something better of their lives! Without quality funded education our society will suffer! Students spend more time at school than they do with their parents!

Pay is a big struggle for us island public school teachers. I grew up in Hawaii. I love it here and hope so much to stay till the end of my days. The only reason I can afford to stay here is because as a 37 year old single adult I live at home with my parents. I am happy I have this available to me, but I know that others are not so fortunate to have a place where rent is cheaper. As teachers we are not asking to be made rich, we are just asking for a fair pay - one that matches the cost of living here in Hawaii so that we can stay and provide stability in our students lives. It is difficult every time a new teacher starts here in Hawaii and then leaves a year later because the pay is not enough for them to make it. As a permanent teacher it means you have to help train a new batch of teachers each year. If teachers could afford to live here the consistency would be better for the



students. In my 6 years of teaching here I have already seen many new teachers come and go because it is too hard to make it in Hawaii. As a teacher we wear many hats - we are a teacher, a counselor, a motivator, a disciplinarian, a psychologist, a cheerleader, and the list goes on. Our job is not just from an 8 - 3 pm job. I don't mean to be ungrateful, but it is never ending. Myself and my colleagues spend countless hours before school and after school working beyond contracted time. Myself and my colleagues bring papers home to grade and lesson plans to be made and emails to parents that need to be sent. I don't mind going above and beyond for my job, but it is unreal how much a teacher goes above and beyond for their job with no extra monetary support. So teachers get a second or third job and sadly that sometimes affects how well they do their most important job, which is teaching because they are tired or have other stressors in their lives. If the pay matched the price of living the state wouldn't have to go to other states to try to recruit new teachers. These new teachers are not here for the long haul as a permanent resident would be which would be more to the benefit of the students! New teachers mean less experience which means the teacher is learning as they teach the child, which is often times not as effective. Teaching tends to be a "woman's" profession, sometimes I wonder if it was a "man's" profession if the pay would already be higher.

Please know that I love what I do! I love working with children and seeing them grow and progress, but I also want to make it! I want to be able to live beyond pay check to pay check. I want to know that I can save enough to have a solid retirement. Please support Hawaii's children by supporting Hawaii teachers! Don't go beyond Hawaii - say yes to Hawaii teachers and know that they will be working hard for the good of Hawaii's future...the children!

To deliver the schools our keiki deserve, please support these bills. We need your help. Mahalo.

Rosemary Summers, Windward District, Oahu

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, February 26, 2017 5:37 PM  
**To:** WAM Testimony  
**Cc:** gifts9954@gmail.com  
**Subject:** \*Submitted testimony for SB686 on Feb 28, 2017 09:50AM\*

**SB686**

Submitted on: 2/26/2017

Testimony for WAM/JDL on Feb 28, 2017 09:50AM in Conference Room 211

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

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 27, 2017 10:49 AM  
**To:** WAM Testimony  
**Cc:** 808corporatethug@gmail.com  
**Subject:** Submitted testimony for SB686 on Feb 28, 2017 09:50AM

**SB686**

Submitted on: 2/27/2017

Testimony for WAM/JDL on Feb 28, 2017 09:50AM in Conference Room 211

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
G-Dawg	Individual	Oppose	No

Comments: My rent is already more than I can afford. Adding this additional burden on my landlord will result in my rent going up. I am strongly opposed to this bill

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 27, 2017 10:55 AM  
**To:** WAM Testimony  
**Cc:** ala@crhmaui.com  
**Subject:** \*Submitted testimony for SB686 on Feb 28, 2017 09:50AM\*

**SB686**

Submitted on: 2/27/2017

Testimony for WAM/JDL on Feb 28, 2017 09:50AM in Conference Room 211

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
LEINAALA MAYNARD	Individual	Oppose	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 27, 2017 10:56 AM  
**To:** WAM Testimony  
**Cc:** ariannafeinberg@gmail.com  
**Subject:** \*Submitted testimony for SB686 on Feb 28, 2017 09:50AM\*

**SB686**

Submitted on: 2/27/2017

Testimony for WAM/JDL on Feb 28, 2017 09:50AM in Conference Room 211

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

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 27, 2017 10:59 AM  
**To:** WAM Testimony  
**Cc:** wendy.mooney@gmail.com  
**Subject:** \*Submitted testimony for SB686 on Feb 28, 2017 09:50AM\*

**SB686**

Submitted on: 2/27/2017

Testimony for WAM/JDL on Feb 28, 2017 09:50AM in Conference Room 211

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Wendy Mooney	Individual	Oppose	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 27, 2017 11:00 AM  
**To:** WAM Testimony  
**Cc:** abcde@crhmaui.com  
**Subject:** \*Submitted testimony for SB686 on Feb 28, 2017 09:50AM\*

**SB686**

Submitted on: 2/27/2017

Testimony for WAM/JDL on Feb 28, 2017 09:50AM in Conference Room 211

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Willis	Individual	Oppose	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 27, 2017 11:03 AM  
**To:** WAM Testimony  
**Cc:** wendy@crhmaui.com  
**Subject:** Submitted testimony for SB686 on Feb 28, 2017 09:50AM

**SB686**

Submitted on: 2/27/2017

Testimony for WAM/JDL on Feb 28, 2017 09:50AM in Conference Room 211

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Wendy	Individual	Oppose	No

Comments: I oppose this bill.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)



**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 27, 2017 11:34 AM  
**To:** WAM Testimony  
**Cc:** dawn@crhmaui.com  
**Subject:** \*Submitted testimony for SB686 on Feb 28, 2017 09:50AM\*

**SB686**

Submitted on: 2/27/2017

Testimony for WAM/JDL on Feb 28, 2017 09:50AM in Conference Room 211

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Dawn	Individual	Oppose	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)

Aloha,

Our names are Joe and Jennifer Cizek and we own a vacation rental in Hawaiian Beaches Subdivision in Puna District. We are writing to express our opposition to SB 683 & SB 686.

It is our understanding that vacation rental property owners already pay property taxes that are 3 to 4 times higher than residential home owners. If these bills were to pass than my property tax bill will increase by \$4417 which will double my property tax bill.

While I understand that the revenues received from this bill are targeted towards funding education, education benefits everyone therefore its costs should be shared equally by all property owners on the island. SB 683 places the burden of funding education on the shoulders of a small minority of tax payers which own 2.0% of the assessed taxable value in Hawaii but pay 3.5% of the property tax. It is unjustified and discriminatory. If this tax increase were applied to all taxpayers it would result in a small increase for everyone, rather than a large increase for a few.

We run are vacation rental according to the rules of the state. We pay our TAT and GET taxes (\$6390.04 in 2016) on time and bring revenue to the state in the form of our paying taxes and the tourists spending money in the community. A prime example was our own personal vacation. We were on vacation there from Dec. 23 to Jan 8, 2017 and spent almost \$11,000 (including \$5000 in airline tickets) and this does not include accommodations as we stayed in our rental property. The rest of this money was spent in the local economy. This means we spent roughly \$3000 a week in the local economy. If we rent our house for 40 weeks of the year and each rental drops \$3000 a week in the local economy that's \$120,000 a year. It doesn't make any sense to us that you would collect \$4417 more a year from us when you have the possibility of losing \$120,000. This is the income you potentially eliminate by increasing our property taxes.

If the state continues to unjustly target our vacation rental with increased taxes then we will be forced to increase our prices which will result in less bookings. Less bookings will result in less revenue for the state. It will also force us to look at the feasibility of keeping the property.

Sincerely,

Joe & Jennifer Cizek



Windward Hawaii LLC

Joe & Jennifer Cizek

907-854-4148

[bythesea@windwardhawaii.com](mailto:bythesea@windwardhawaii.com)

[www.windwardhawaii.com](http://www.windwardhawaii.com)

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 27, 2017 12:20 PM  
**To:** WAM Testimony  
**Cc:** tulsigreenlee@icloud.com  
**Subject:** \*Submitted testimony for SB686 on Feb 28, 2017 09:50AM\*

**SB686**

Submitted on: 2/27/2017

Testimony for WAM/JDL on Feb 28, 2017 09:50AM in Conference Room 211

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

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 27, 2017 12:37 PM  
**To:** WAM Testimony  
**Cc:** shelle@crhmaui.com  
**Subject:** \*Submitted testimony for SB686 on Feb 28, 2017 09:50AM\*

**SB686**

Submitted on: 2/27/2017

Testimony for WAM/JDL on Feb 28, 2017 09:50AM in Conference Room 211

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Shelle	Individual	Oppose	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 27, 2017 1:54 PM  
**To:** WAM Testimony  
**Cc:** lisa@crhmaui.com  
**Subject:** \*Submitted testimony for SB686 on Feb 28, 2017 09:50AM\*

**SB686**

Submitted on: 2/27/2017

Testimony for WAM/JDL on Feb 28, 2017 09:50AM in Conference Room 211

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Lisa	Individual	Oppose	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 27, 2017 2:03 PM  
**To:** WAM Testimony  
**Cc:** rose@crhmaui.com  
**Subject:** \*Submitted testimony for SB686 on Feb 28, 2017 09:50AM\*

**SB686**

Submitted on: 2/27/2017

Testimony for WAM/JDL on Feb 28, 2017 09:50AM in Conference Room 211

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Rose Almeida	Individual	Oppose	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)

Dr. Amy Perruso  
3348 Kaunaoa St.  
Honolulu, HI 96815

February 28, 2016

IN SUPPORT OF SB 686

Chair Tokuda and Committee Members,

Is racial or ethnic inequality being perpetuated in Hawaii, and if so, how? That question can only be answered if we are able to determine whether or not our social system, more than half a century after the shift away from a plantation economy, is still characterized by racial or ethnic inequality. Examination of disparities in social, political and economic outcomes for social elites (primarily whites and Japanese-Americans) and those for the marginalized, with the worst economic, educational and health indicators (primarily Native Hawaiian, Filipinos, Samoans and Micronesians), requires that we recognize and accept responsibility for such inequity. The most important institution available to us to address these inequities are our public schools. Yet our schools are segregated in important ways along racial or ethnic lines. All of the data shows that the children of our social elite (white and Japanese-American) are much likely to attend private school in Hawaii, while our Native Hawaiian, Filipino, Samoan, and Micronesian students are much more likely to attend public school (Okamura 2017). This would not be a factor that necessarily deepened the divide if the our most needy students were not the least resourced.

Our public-private school divide not only *reflects* a racial or ethnic divide in our society, but also *perpetuates* and deepens such a divide. We, as a society, are responsible for the divide, this social inequality. It is not ‘natural.’ It is socially constructed and reinforced by public policy.

Yet the data on race or ethnicity and the long-term educational outcomes, including the school-to-prison pipeline, suggests that we have been shaping public policy around funding our public school system, as opposed to the private school system, in ways that deepen social inequality in Hawaii. The consequences of our collective failure to address the teacher shortage crisis, for example, are borne by our children, especially those who already struggle to find ‘equal opportunity.’ A recent study by UH Manoa Professor Jonathan Okamura, entitled “Unequal Opportunity,” explains how chronic inadequate funding of the public schools especially disadvantages our “majority clientele of minority students,” by which he means our Native Hawaiian, Filipino and Pacific Islander students. The tens of thousands of students who are not being provided with an education because they lack a qualified teacher in their classroom, or who suffer from highly unstable learning environments with high teacher turnover every year, consist primarily of Native Hawaiian, Filipino and Pacific Islander students who are living in or close to poverty in Hawaii. Public education is supposed to play a key role in the opportunity for social mobility, and we must grapple with the harsh realities that obtain in our schools to even begin to address the inequality of educational opportunity in Hawaii.

Let's begin to grapple with this reality, to prevent further widening between the haves and the have-nots along racial or ethnic lines in Hawaii.

Very truly yours,

Amy Perruso  
Mililani High School  
Social Studies



**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 27, 2017 3:23 PM  
**To:** WAM Testimony  
**Cc:** begoniabarry@gmail.com  
**Subject:** \*Submitted testimony for SB686 on Feb 28, 2017 09:50AM\*

**SB686**

Submitted on: 2/27/2017

Testimony for WAM/JDL on Feb 28, 2017 09:50AM in Conference Room 211

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

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)

Committee on Ways and Means and Committee on Judiciary and Labor

Chair Tokuda, Chair Keith=Agaaran and members of the Committees on Ways and Means and Judiciary and Labor:

I am Marcia Linville, Education Caucus SCC member Democratic Party, speaking in support of SB 686 and SB 683.

The many problems resulting from long term insufficiency of resources for the Department of Education are well known. Insufficiency of qualified staff, lack of supplies, unmaintained facilities, over heated buildings, growing lack of school libraries, a 47% competence in 4th grade reading, which also results in a 20% adult illiteracy rate, difficulty in recruiting and retaining teachers, lack of qualified special education teachers. overlarge classes, and too many others to list here have been reported so many times by so many people that the mind grows numb and fails to register what the affect each of these broad categories has on the individual child. and on the development of the work force of the state. So take a specific example. Kauai has one special education preschool class. The class has 15, soon to be 18 special education 3-5 yr olds. When they arrive some cannot speak, some do not know how to hold a fork, some are not toilet trained, some have sensory disabilities, some have emotional, some mental disabilities. They have one teacher, aided by help she has trained, who works under the pressure of knowing that the earlier each has intervention, the greater the possibility each has of improvement. With luck, time, appropriate care, parental involvement, and special education, some may even graduate out of special education and be able to function in regular classrooms. Which is a great saving in education dollars to the state. But there is only one class, with one teacher who is strongly considering retiring. Wouldn't you? Then what?

Hawaii spends a large part of it's resources on education. Yet there is never enough, in part because Hawaii is the only state that tries to fund the education for the whole state out of the state budget. A State budget has many more urgent competing demands on it's resources than does the city or county which is the more usual funding source. So a special, additional funding source is needed. Many have been suggested. All have either failed to prove sufficient or were felt to add an unacceptable burden to the tax payer.

SB 683 and SB 686 provide a new possibility of securing additional funds without placing an additional tax burden on Hawaii's lower paid working demographic. The ultimate source of that revenue is the tourists who will be utilizing the services of the people they have helped pay to educate. Seems fair.

I therefore ask your support for SB 686 and SB 693.

Thank you  
Marcia Linville  
538-4466

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 27, 2017 4:58 PM  
**To:** WAM Testimony  
**Cc:** stacy@stacyvosberg.com  
**Subject:** \*Submitted testimony for SB686 on Feb 28, 2017 09:50AM\*

**SB686**

Submitted on: 2/27/2017

Testimony for WAM/JDL on Feb 28, 2017 09:50AM in Conference Room 211

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
stacy vosberg	Individual	Oppose	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)

*Lois A. Yamauchi*  
2850 Kahawai Street  
Honolulu, HI 96822

February 27, 2017

Senate Committee on Ways and Means  
Senator Jill N. Tokuda, Chair  
Senator Donovan M. Dela Cruz, Vice Chair  
Senate Committee on Judiciary and Labor  
Senator Gilbert S.C. Keith-Agaran, Chair  
Senator Karl Rhoads, Vice Chair

Hearing: Tuesday, February 28, 2017, 9:50 a.m., Room 211

Dear Chair Tokuda, Chair Keith-Agaran and Committee Members:

My name is Lois A. Yamauchi, and I am the mother of two children, one who attends a public high school and another who graduated from a public school and now attends college. I am writing to urge you to pass SB 683 and SB 686 to increase funding for our public schools.

As university professors, my husband and I have dedicated our lives to education. We believe that education is the long-term solution to prosperity in our State and equity for all residents. The majority of children in Hawai'i attend public schools. Although we had the financial resources to send our children to private schools, my husband and I chose to enroll our children in public schools because we felt that such attendance was a better education and preparation for life. We are adamant that public education is the key to our democracy. It is in public schools that my children learn about people who are both similar and different from them and gain skills in working together toward common intellectual and civic goals.

The bills you are considering today will provide lower class sizes to allow teachers to focus on every child in their classroom. All children deserve an education that includes the visual and performing arts, physical education, and quality Hawaiian Studies. These are not "extra" parts of education that should be funded by parent fundraising in more affluent areas like Kahala and Mānoa. Every child in every school deserves a well-rounded education that nurtures their potential.

Supporting SB 683 and SB 686 will strengthen the public school system in Hawai'i. It is no secret that the teachers in our State are woefully underpaid. When teachers are forced to take second jobs, or must share housing with four or five other teachers, just to make ends meet, how can we expect them to do their very best and focus on our children? At the University of Hawai'i, I help to prepare new teachers. The students in my classes are bright, passionate, and idealistic. I want them to stay in public education, but are not surprised when they leave the profession because they feel undervalued and over-worked. If we want the best people to become teachers, we have to value them by paying a competitive salary. They deserve it. Our children deserve it.

In 2010, I protested against the Furlough Fridays by sitting in at the Governor Lingle's office. I was appalled that the Governor would prioritize balancing the State budget by sacrificing our children's education. That crisis resolved temporarily, but here we are again. SB 683 and SB 686 will provide a long-term solution for adequate funding for public education in our State. Please support these bills.

Aloha,



Lois A. Yamauchi, PhD

TUESDAY, FEBRUARY 28, 2017  
9:50 a.m.

Chair Tokuda, Chair Keith-Agaran and Members of the Committees:

My name is Rosemary Summers. I am a teacher from the Windward District on Oahu. Please pass SB 683 and SB 686 to increase funding for public schools.

Our children are our future. When teachers instruct their students, they build the foundation for equality and prosperity for tomorrow's generations. Every dollar invested in our community's public schools yields exponential returns, not just for our economy, but for the promise of a more open and democratic society.

Supporting these proposals will lift Hawai'i's schools into the 21st Century. A vote for these measures is a vote for lower class sizes that allow teachers to connect with their students, whole child education that includes the arts and Hawaiian studies, providing resources and services for students with special needs and professional pay that reflects the value of our hardworking teachers.

We need additional funding for our public schools, because it will benefit the children of Hawaii's future. As a teacher I love my students and sometimes feel so sad that our country/state does not support public education more. Public education is the heart of America. It is our responsibility as adults to make sure that we set up our students for a successful future and we'll do that best by funding their education. As an educator I get about \$400 per year for a class of 20 - 30 students. I do not mean to be ungrateful by it is not enough. Because I love and care about my students I spend an additional \$800 a year to help pay for supplies and computer programs that will help my students succeed. If you fund children's education the future dividends have no equal! Quality funded education offers children a chance to make something better of their lives! Without quality funded education our society will suffer! Students spend more time at school than they do with their parents!

Pay is a big struggle for us island public school teachers. I grew up in Hawaii. I love it here and hope so much to stay till the end of my days. The only reason I can afford to stay here is because as a 37 year old single adult I live at home with my parents. I am happy I have this available to me, but I know that others are not so fortunate to have a place where rent is cheaper. As teachers we are not asking to be made rich, we are just asking for a fair pay - one that matches the cost of living here in Hawaii so that we can stay and provide stability in our students lives. It is difficult every time a new teacher starts here in Hawaii and then leaves a year later because the pay is not enough for them to make it. As a permanent teacher it means you have to help train a new batch of teachers each year. If teachers could afford to live here the consistency would be better for the students. In my 6 years of teaching here I have already seen many new teachers come and go because it is too hard to make it in Hawaii. As a teacher we wear many hats - we are a teacher, a counselor, a motivator, a disciplinarian, a psychologist, a cheerleader, and the list goes on. Our job is not just from an 8 - 3 pm job. I don't mean

to be ungrateful, but it is never ending. Myself and my colleagues spend countless hours before school and after school working beyond contracted time. Myself and my colleagues bring papers home to grade and lesson plans to be made and emails to parents that need to be sent. I don't mind going above and beyond for my job, but it is unreal how much a teacher goes above and beyond for their job with no extra monetary support. So teachers get a second or third job and sadly that sometimes affects how well they do their most important job, which is teaching because they are tired or have other stressors in their lives. If the pay matched the price of living the state wouldn't have to go to other states to try to recruit new teachers. These new teachers are not here for the long haul as a permanent resident would be which would be more to the benefit of the students! New teachers mean less experience which means the teacher is learning as they teach the child, which is often times not as effective. Teaching tends to be a "woman's" profession, sometimes I wonder if it was a "man's" profession if the pay would already be higher.

Please know that I love what I do! I love working with children and seeing them grow and progress, but I also want to make it! I want to be able to live beyond pay check to pay check. I want to know that I can save enough to have a solid retirement. Please support Hawaii's children by supporting Hawaii teachers! Don't go beyond Hawaii - say yes to Hawaii teachers and know that they will be working hard for the good of Hawaii's future...the children!

To deliver the schools our keiki deserve, please support these bills. We need your help. Mahalo.

Rosemary Summers, Windward District, Oahu

**Clare Hanusz**  
**Nevzat Soguk**  
1128 Kaumoku Street  
Honolulu, HI 96825

TESTIMONY BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS  
AND  
THE COMMITTEE ON JUDICIARY AND LABOR  
RE: SB 683 and SB 686 - RELATING TO EDUCATION.  
Tuesday, February 28, 2017, 9:50 AM

February 27, 2017

Chair Tokua, Chair Keith-Agaran and Members of the Committee:

We are Clare Hanusz and Nevzat Soguk. Clare is a mother, attorney, and a Parents for Public Schools Hawaii board member. Nevzat is a father and tenured professor at the University of Hawaii. We reside with our two children, Ali (15) and Derya (13) in Hawaii Kai. Both of our kids attend public schools.

We strongly urge you to pass SB 683 and SB 686 to increase funding Hawaii's public schools.

Our education system has been in crisis for so long that crisis has been normalized. It should not be! Overcrowded hot classrooms, crumbling infrastructure, a lack of qualified teachers for our over-tested stressed out kids. These quasi-third world conditions are the reality of what kids and teachers face in Hawaii's public schools. These issues represent the reasons that many who can choose to abandon public school education for their kids, either from the start or later in the middle school or high school years. They take their social and economic capital and political clout elsewhere. That makes our challenge harder, and we need to raise our voices louder, again.

Our kids were born in Hawaii and attended Honolulu public schools until we moved to Australia for 18 months in 2012. Exhausted and somewhat traumatized from the furlough Friday battle, we were thrilled to find ourselves living in a place with a vibrant, healthy public education system. Only a small percentage of parents where we lived in Melbourne choose private schools for their kids, where the education system was much more robustly funded. Teachers were paid well, respected, and happy. The opportunity to live abroad highlighted again for us the shameful lack of resources devoted in Hawaii to our public school kids and teachers.

Every person we've spoken to – those with kids in public schools, or private schools, or without children, support the idea of paying more in taxes for better schools. The time is now- our kids have waited far too long. We owe them better. Supporting these bills is an important start.

Thank you for your commitment to Hawaii and our kids.

Clare Hanusz, 808-384-9682, [chanusz@gmail.com](mailto:chanusz@gmail.com)  
Nevzat Soguk





**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 27, 2017 5:00 PM  
**To:** WAM Testimony  
**Cc:** mavs19@aol.com  
**Subject:** \*Submitted testimony for SB686 on Feb 28, 2017 09:50AM\*

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

**SB686**

Submitted on: 2/27/2017

Testimony for WAM/JDL on Feb 28, 2017 09:50AM in Conference Room 211

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Joy Nelson	Individual	Oppose	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)