



STATE OF HAWAII
DEPARTMENT OF EDUCATION
KA 'OIHANA HO'ONA'AUAO
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 02/07/2023

Time: 02:00 PM

Location: 309 VIA VIDEOCONFERENCE

Committee: House Education

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Title of Bill: HB 1223 RELATING TO TEACHER LOANS.

Purpose of Bill: Establishes a teacher loan program to encourage individuals to become teachers in hard-to-fill positions of Department of Education schools. Allows the loan to be forgiven after 5 years of teaching in a hard-to-fill position.

Department's Position:

The Hawaii State Department of Education (Department) respectfully provides comments for consideration on HB 1223.

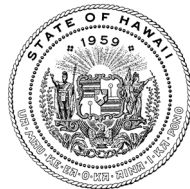
The Department currently administers several tuition stipend programs targeted toward specific high-need teaching positions such as special education and federal teacher shortage areas through the grow-our-own program. These programs offer a similar type of financial assistance that is being proposed in this measure.

The federal government also offers several similar loan forgiveness options such as Teacher Loan Forgiveness, Perkins Loan Cancellation, and the Public Service Loan Forgiveness programs.

The Department appreciates the intent of this measure in helping to achieve the recently adopted Hawaii State Board of Education's Strategic Plan desired outcome of filling all teacher positions with qualified hires.

Thank you for the opportunity to provide comments on HB 1223.

JOSH GREEN, M.D.
GOVERNOR



LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

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

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

WRITTEN ONLY
TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON EDUCATION
ON
HOUSE BILL NO. 1223

February 7, 2023
2:00 p.m.
Room 309 and Videoconference

RELATING TO TEACHER LOANS

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill (H.B.) No. 1223 amends Chapter 302A, HRS, by adding two new sections to Part III, Subpart C, to:

- Establish a Teacher Loan Program (TLP) to encourage individuals to become teachers in hard-to-fill positions of Department of Education (DOE) schools. The TLP allows for loan forgiveness after five years of teaching in a hard-to-fill position.
- Establish the Teacher Loan Program Revolving Fund (TLPRF) for the purpose of providing loans to the TLP. Appropriations made by the Legislature, private contributions, repayment of loans, including interest and payments received on account of principal, and moneys from other sources shall be deposited into the TLPRF and shall be expended by the DOE. An amount from the TLPRF not exceeding five per cent of the total amount of outstanding loans may be used by the DOE for administrative expenses incurred in administering the revolving fund.

This measure also appropriates an undetermined amount of general funds for FY 24 and FY 25 for deposit into the TLPRF and appropriates an undetermined amount of revolving funds for FY 24 and FY 25 out of the TLPRF for the TLP.

As a matter of general policy, B&F does not support the creation of any revolving fund which does not meet the requirements of Section 37-52.4, HRS. Revolving funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. In regards to H.B. No. 1223, it is difficult to determine whether the proposed source of revenues will be self-sustaining for the new revolving fund.

Thank you for your consideration of our comments.



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TESTIMONY BEFORE THE HOUSE COMMITTEE ON EDUCATION

RE: HB 1223 - RELATING TO TEACHER LOANS

TUESDAY, FEBRUARY 7, 2023

OSA TUI, JR., PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

Chair Woodson and Members of the Committee:

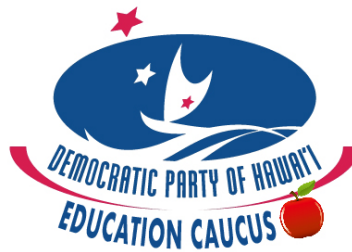
The Hawaii State Teachers Association **supports HB 1223**, relating to teacher loans. This bill establishes a teacher loan program to encourage individuals to become teachers in hard-to-fill positions of Department of Education schools and allows the loan to be forgiven after 5 years of teaching in a hard-to-fill position.

The annual cost to attend college at the University of Hawai'i at Manoa can be as much as \$30,000 a year and on average it takes full-time students nearly five-and-a-half years to graduate. Though tuition at UH isn't considered high when compared to similar schools, it could still cost as much as \$162,000 to graduate. Many take out loans to cover that expense.

Our teachers in Hawai'i are among the lowest paid in the country, when adjusted for cost of living. Add to this the fact that teachers too often pay for teaching and classroom supplies out of their own pockets, subsidizing public education out of their own personal funds. These are some big reasons why the Department of Education struggles to attract and retain teachers in our public schools.

This bill could reduce that struggle substantially by providing loan forgiveness for teachers committed to teaching in hard-to-fill positions in Hawai'i. We believe this could help address our significant teacher shortage by providing relief to our financially over-burdened teachers.

To support the recruitment and retention of our public school teachers, the Hawaii State Teachers Association asks your committee to **support** this bill.



HOUSE BILL 1223, RELATING TO TEACHER LOANS

FEBRUARY 7, 2023 · HOUSE EDUCATION
COMMITTEE · CHAIR REP. JUSTIN H. WOODSON

POSITION: Support.

RATIONALE: The Democratic Party of Hawai'i Education Caucus **supports** HB 1223, relating to teacher loans, which establishes a teacher loan program to encourage individuals to become teachers in hard-to-fill positions of Department of Education schools and allows the loan to be forgiven after five years of teaching in a hard-to-fill position.

Teachers are the most important professionals in increasing student achievement. According to numerous studies, however, Hawai'i's average teacher salaries are the lowest in the nation when adjusted for cost of living. A 2020 study conducted by APA Consulting on behalf of the Hawai'i Department of Education found that when compared with other high-cost geographic locations, Hawai'i teachers are paid \$7,700 to \$26,000 less than their peers in school districts with similar costs of living, depending on length of service.

While that pay gap is decreasing because of the State Legislature's effort to fund differential pay increases and resolve salary compression last year, teachers are still underpaid compared to other professions that require a similar level of education. **Assisting aspiring teachers by providing loan forgiveness is one way of increasing the number of qualified classroom leaders in local schools, relieving new teachers of the crushing burden of college debt.**

Low teacher pay adversely impacts the State’s ability to recruit and retain quality classroom leaders. According to the Hawai’i Department of Education’s 2022 Strategic Plan Dynamic Report, for the 2021-2022 school year, 49 percent of Hawai’i’s teachers left the profession within their first five years of service. The state’s teacher shortage stood at 737 positions on December 1, 2022, **with 1,230 voluntary separations occurring during the 2021-2022 school year–159 more than the 1,071 than the department averaged over the four prior years.**

Providing incentives for hard-to-fill positions works. The Hawai’i Department of Education, in consultation with the Hawaii State Teachers Association, implemented differential pay increases during the 2019-2020 school year to reduce teacher shortages in special education, hard-to-staff, and Hawaiian immersion teaching positions. Instituting differential pay increases led to significant progress in reducing longstanding teacher shortages in high-demand areas.

Departmental data shows that the percentage of special education teacher vacancies dropped by 45 percent during the 2020-2021 school year, with 43 percent more teachers choosing to move into a special education teaching line than the year before. The number of teachers choosing to work in hard-to-fill positions in rural or remote areas increased by 52 percent over the same period, while the number of Hawaiian immersion teachers increased by 7 percent. We can expect a teacher loan forgiveness program that targets hard-to-fill areas and requires teachers to remain in the profession beyond the initial “burnout” period to have a complementary impact.

Kris Coffield · Chairperson, DPH Education Caucus · (808) 679-7454 · kriscoffield@gmail.com

HB-1223

Submitted on: 2/3/2023 2:16:36 PM

Testimony for EDN on 2/7/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
cheryl B.	Individual	Comments	Written Testimony Only

Comments:

COMMENTS

This bill which establishes a teacher loan program to encourage individuals to become teachers in hard-to-fill positions of Department of Education schools. Allows the loan to be forgiven after 5 years of teaching in a hard-to-fill position seems like one way to assist educators. My questions: how is a "a hard-to-fill" position determined? Who will set the prerequisites for this loan? In addition, how will the loan payments be taken from the educators or will it be in some kind of reserve? Most beginning educators in Hawai`i would still struggle with all their payments and a loan payment as well. This loan idea as well as increasing teacher pay and re-examining health care costs would be helpful too.

HB-1223

Submitted on: 2/6/2023 9:00:16 AM

Testimony for EDN on 2/7/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Alexandra Chou	Individual	Support	Written Testimony Only

Comments:

Our teachers already don't get paid enough, anyone who wants to be a teacher knows that they won't be making a lot of money and instead do it b/c they love educating our youth. We need to take care of them

LATE

HB-1223

Submitted on: 2/7/2023 1:35:57 PM

Testimony for EDN on 2/7/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ryan-Nicholas: Luther	Individual	Oppose	Written Testimony Only

Comments:

I oppose due to the HB1223 not promoting for hiring of individuals based in Hawaii, and advocating for the loans to be forgiven to individuals whom relocate to the islands.

An amendment shall be made to remove this statement, as it promotes for out-of-state persons to move to Hawaii, just to work for removal of a loan amount and then relocate after the loan is settled and cleared.

Furthermore, HB1223 should specify the request for increase in base pay for in-state-citizens who are hired, to promote for employment of Hawaii based workforce. Then loans for these individuals can be forgiven after the 5-years of employment in the State of Hawaii educational system.



CONVENTION *of* STATES

LATE

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