



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

Date: 02/01/2024

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 2572 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 a loan to be forgiven for teachers who become a licensed teacher in Hawaii or for teachers who will commit to teach for seven years at a Hawaii public school or public charter school.

Department's Position:

The Hawaii State Department of Education (Department) respectfully provides comments for consideration on HB 2572.

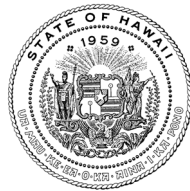
Under §304A-701, there currently exists a Hawaii educator loans program administered by the University of Hawaii with requirements similar to that proposed in this bill. Introducing a new program under §302A could compete with or confuse potential loan applicants. The current challenges of the existing Hawaii educator loans program are the limit to loan funds and the required seven-year commitment to teach in public schools.

Based on current appropriations, the Department also 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 an average of \$15,000 per recipient for a three-year service commitment in public schools. As drafted in HB 2572, the loan program may not attract significant interest due to the per-borrower loan amount capped at \$5,000 and the required seven-year commitment.

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

The Department appreciates this measure's intent to encourage individuals to become teachers in hard-to-fill positions. This aligns with 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 2572.



JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT 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
Ka 'Oihana Mālama Mo'ohelu a Kālā
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

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

WRITTEN ONLY

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEES ON EDUCATION
AND HIGHER EDUCATION AND TECHNOLOGY
ON
HOUSE BILL NO. 2572

**February 1, 2024
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. 2572, amends Chapter 302A, HRS, and does the following:

1) establish a Teacher Loan Program (TLP) to encourage individuals to become teachers in hard-to-fill positions of Department of Education schools; 2) create a TLP Revolving Fund (TLPRF) for the purpose of providing loans for teachers who relocate to Hawai'i or to an area in Hawai'i having hard-to-fill teaching positions; 3) appropriate an unspecified amount in general revenues for FY 25 to be deposited into the TLPRF for the implementation of TLP; and 4) allow the loan to be forgiven for teachers who become a licensed teacher in Hawai'i or for teachers who will commit to teach for seven years at a Hawai'i public school or public charter school.

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. Regarding H.B. No. 2572, it is difficult to determine whether the proposed revolving fund would be self-sustaining, considering that there are conditions set in the bill to forgive and cancel the loan.

It should be noted that there is an existing Hawai'i Educator Loan Program (HELP) under Section 304A-701, HRS. H.B. No. 2240, on this agenda, appropriates funds into and out of the HELP Revolving Fund for similar purposes.

Thank you for your consideration of our comments.

JOSH GREEN M.D.
GOVERNOR



CATHY K. IKEDA
CHAIRPERSON

STATE OF HAWAII
STATE PUBLIC CHARTER SCHOOL COMMISSION
(‘AHA KULA HO‘ĀMANA)

<http://CharterCommission.Hawaii.Gov>
1164 Bishop Street, Suite 1100, Honolulu, Hawaii 96813
Tel: (808) 586-3775 Fax: (808) 586-3776

FOR: HB 2572 Relating to Teacher Loans
DATE: February 1, 2024, 2:00 PM
COMMITTEE: Committee on Education and Committee on Higher Education and Technology
ROOM: Conference Room 309 & Videoconference
FROM: PJ Foehr, Interim Executive Director
State Public Charter School Commission

Chair Woodson, Vice Chair La Chica, Chair Peruso, Vice Chair Kapela, and members of the Committees:

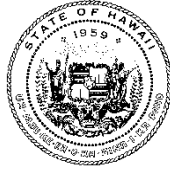
The State Public Charter School Commission (“Commission”) appreciates the opportunity to provide testimony in **SUPPORT with suggested amendments on HB 2572** which provides loans for teachers who relocate to Hawaii, or to an area in Hawaii having hard-to-fill teaching positions, and to forgive these loans if the teacher becomes a licensed teacher in Hawaii or if the teacher commits to teach for seven years at a Hawaii public school or public charter school.

The Commission supports efforts to increase the number of qualified teachers and the inclusion of public charter schools; however, the following suggested amendment would clarify the eligibility of public charter school teachers in this loan program. We offer the following amendments to Section 2 Page 3 line 2:

“(1) The Hawaii public school system, **including public charter schools**, in a hard-to-fill position including special education, regular education shortage categories, or Title 1 schools, and in one of the following capacities ...”

Thank you for the opportunity to provide this testimony.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



FELICIA VILLALOBOS
EXECUTIVE DIRECTOR

LATE

STATE OF HAWAII
HAWAII TEACHER STANDARDS BOARD
650 IWILEI ROAD, SUITE 268
HONOLULU, HAWAII 96817

WRITTEN TESTIMONY BEFORE THE HOUSE COMMITTEE ON EDUCATION and the COMMITTEE ON HIGHER EDUCATION & TECHNOLOGY

PERSON TESTIFYING: Mitzie Higa, Licensing Specialist, on behalf of the Hawai'i Teacher Standard Board (HTSB)

DATE: February 1, 2024

TIME: 2:00 pm

LOCATION: Conference Room 309 and Video Conference

TITLE OF BILL: HB 2572 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 a loan to be forgiven for teachers who become a licensed teacher in Hawaii or for teachers who will commit to teach for seven years at a Hawaii public school or public charter school

POSITION: Support, with suggested amendments HB 2572

Chair Woodson, Chair Perruso, and Members of the Committees;

The Hawai'i Teacher Standards Board (HTSB) supports H2572, with suggested amendments, relating to teacher loans. The Hawai'i Teacher Standards Board wants to focus on retaining our teachers in Hawai'i. If we are able to retain our licensed teachers, we will not need to focus on recruiting new teachers as much, **and we hope to not have as many vacancies each year, filled with unlicensed teachers, in our public schools in Hawai'i, including our public charter schools.** Although several federal loans have been forgiven for our teachers, there are many licensed teachers in our public schools who did not have their student loans forgiven, thus they still must pay these loans off, making their take home pay, that they use for other necessities, even less. The cost of living in Hawai'i is only going up, thus our hope is that the legislature will be able to pass this bill to help alleviate this financial burden from our teachers who have taught in Hawai'i for seven years, and still have a student loan, or they commit to teach in Hawai'i for seven years. he

HTSB wishes that this program of loan repayment would be open to all our licensed teachers in Hawai'i, perhaps if it was open to teachers who for one reason or another were denied federal loan forgiveness? Perhaps that could be added. They would have evidence from the federal loan program that they still have a student loan etc. Something to consider, as we want to alleviate this financial burden for all of our licensed teachers to encourage them to stay here in Hawai'i in our public schools, including our public charter schools. However, if that cannot be done, we have listed are suggestions below.

HTSB suggests amending a portion or the preamble of this bill's purpose to reflect our great need for grow our own teachers, from Hawai'i. We need to retain our licensed teachers, and attract newly licensed teachers in our state, to teach in our public schools, including public charter schools in Hawai'i. Thus, we ask to amend this portion of the preamble below;

...to provide repayment of student loans for teachers who ~~relocate to Hawaii, or to~~ teach in an area in Hawaii having ~~hard-to-fill~~ hard-to-staff teaching positions, and to provide funds to repay ~~for~~ these loans if the teacher becomes a licensed teacher in Hawaii or if the teacher commits to teach, or has taught, for seven years at a Hawaii public school or public charter school.

We also suggest the amendments below to clarify the focus on distributions of funds for student loan repayments for Grow Our Own teachers, who are either in our public school system already, or have committed to teach at our public schools in Hawai'i, including our public charter schools.

"§302A- Teacher loans; forgiveness. (a) There is established the teacher loan forgiveness program to be administered by the department, in partnership with a financial institution whose operations are principally conducted in Hawaii, to provide financial support to teachers who become, or have become, a licensed teacher in Hawaii, or to teachers who commit to teach full-time teacher for seven years, or have taught, as a full-time teacher for seven years in the Hawaii public school system, and have obtained student loans to attend a college in the University of Hawaii system;

(1) The Hawaii public school system in a ~~hard-to-fill~~ hard-to-staff position including special education, regular education shortage categories, or Title 1 schools, and in one of the following capacities:

(A) As an elementary school teacher teaching in the field of elementary education who has met licensing standards as set forth by the Hawaii teacher standards board; or

(B) As a secondary school teacher who has met licensing standards as set forth by the Hawaii teacher standards board; or

(2) At a school located in a rural area in the State, as determined by the superintendent.

(b) Eligibility shall be determined by the department with priority for teachers who:

(1) ~~Relocate to Hawaii to teach~~ Are teaching in, or accept a position in, a hard-to staff area, complex, or school; or

(2) Accept a position at a hard-to-staff school in a different complex area in Hawaii.

(c) Amounts to be ~~loaned~~ distributed to each ~~borrower~~ recipient shall be determined by the ~~board~~ department and shall not exceed ~~\$5,000~~ \$50,000 per ~~borrower~~ recipient, with the maximum allowable determined by the amount borrowed for each recipient's student loans.

(d) Liability for repayment of a ~~loan~~ distribution shall be canceled upon the death or permanent total disability of the borrower.

(e) Upon a showing of proof that the borrower became a licensed teacher in Hawaii, or has committed to teach in the Hawaii public school system, pursuant to subsection (a) (1) or (2) for seven years, the ~~loan~~ funds distributed to pay off student loans shall be forgiven.

f) If a ~~borrower~~ loan forgiveness recipient fails to become a licensed teacher in Hawaii, or commit to teach in the Hawaii public school system for seven years, then the ~~borrower~~ loan forgiveness recipient shall repay the ~~loan~~ funds distributed for the repayment of student loans at terms determined by the ~~board~~ department; provided that the terms shall be disclosed before the ~~loan~~ distribution is made, the interest rate shall not exceed per cent, and the repayment term shall not exceed years.:

Thank you for considering this bill, the Hawai'i Teacher Standards Board requests that you **support** this bill.

HB-2572

Submitted on: 1/31/2024 11:51:16 AM

Testimony for EDN on 2/1/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Leimomi Ka'aihili Leong	Individual	Support	Written Testimony Only

Comments:

Please make sure the language of this bill also applies to the current Hawai'i licensed teachers to move into positions that are hard to fill including kaiapuni positions.



LATE

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

Osa Tui, Jr.
President

Logan Okita
Vice President

Lisa Thompson
Secretary-Treasurer

Ann Mahi
Executive Director

TESTIMONY TO THE HAWAII HOUSE COMMITTEE ON EDUCATION

Item: **HB2572 - Relating to teacher loans**
Position: **Support**
Hearing: **February 1, 2024, 2:00 p.m., Conference Room 309**
Submitter: **Osa Tui, Jr. – President, Hawai'i State Teachers Association**

Chair Woodson, Vice Chair La Chica, and members of the committee,

The Hawai'i State Teachers Association **supports** HB2572 which establishes a teacher loan program to encourage individuals to become teachers in hard-to-fill positions of Department of Education schools. The bill allows a loan to be forgiven for teachers who become a licensed teacher in Hawai'i or for teachers who will commit to teach for seven years at a Hawai'i public school or public charter school.

The purpose of this would be to provide loans for teachers who relocate to Hawai'i, or to an area in Hawai'i having hard-to-fill teaching positions, and to forgive these loans if the teacher becomes a licensed teacher in Hawai'i or if the teacher commits to teach for seven years at a Hawaii public school or public charter school.

We do have a couple of amendment suggestions.

Amend a portion of the preamble as such:

...to provide repayment of student loans for teachers who ~~relocate to Hawaii, or to teach in an~~ area in Hawaii having ~~hard-to-fill~~ hard-to-staff teaching positions, and to provide funds to repay ~~forgive~~ these loans if the teacher becomes a licensed teacher in Hawaii or if the teacher commits to teach, or has taught, for seven years at a Hawaii public school or public charter school.

Amend to clarify the focus on distributions of funds for student loan repayments for Grow Our Own teachers who are either in our public school system already or have committed to teach at our public schools in Hawai'i, including our public charter schools:

"§302A- Teacher loans; forgiveness.

(a) There is established the teacher loan forgiveness program to be administered by the department, in partnership with a financial institution whose operations are principally conducted in Hawaii, to provide financial support to teachers who become, or have become, a licensed teacher in Hawaii, or to teachers who commit to teach full-time teacher for seven years, or have taught as a full-time teacher for seven years in the Hawaii public school system, and have obtained student loans to attend a college in the University of Hawaii system;

(1) The Hawaii public school system in a ~~hard-to-fill~~ hard-to-staff position including special education, regular education shortage categories, or Title 1 schools, and in one of the following capacities:

(A) As an elementary school teacher teaching in the field of elementary education who has met licensing standards as set forth by the Hawaii teacher standards board; or

(B) As a secondary school teacher who has met licensing standards as set forth by the Hawaii teacher standards board; or

(2) At a school located in a rural area in the State, as determined by the superintendent.

(b) Eligibility shall be determined by the department with priority for teachers who:

(1) ~~Relocate to Hawaii to teach~~ Are teaching in, or accept a position in, a hard-to staff area, complex, or school; or

(2) Accept a position at a hard-to-staff school in a different complex area in Hawaii.

(c) Amounts to be ~~loaned~~ distributed to each ~~borrower~~ recipient shall be determined by the ~~board~~ department and shall not exceed ~~\$5,000~~ \$50,000 per ~~borrower~~ recipient, with the maximum allowable determined by the amount borrowed for each recipient's student loans.

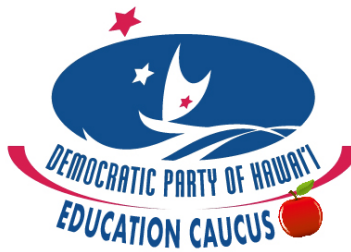
(d) Liability for repayment of a ~~loan~~ distribution shall be canceled upon the death or permanent total disability of the borrower.

(e) Upon a showing of proof that the borrower became a licensed teacher in Hawaii, or has committed to teach in the Hawaii public school system, pursuant to subsection (a) (1) or (2) for seven years, the ~~loan~~ funds distributed to pay off student loans shall be forgiven.

(f) If a ~~borrower~~ loan forgiveness recipient fails to become a licensed teacher in Hawaii, or commit to teach in the Hawaii public school system for seven years, then the ~~borrower~~ loan forgiveness recipient shall repay the ~~loan~~ funds distributed for the repayment of student loans at terms determined by the ~~board~~ department; provided that the terms shall be disclosed before the ~~loan~~ distribution is made, the interest rate shall not exceed per cent, and the repayment term shall not exceed years.

The Hawai'i State Teachers Association asks your committee to **support** this bill with amendments.

LATE



HOUSE BILL 2572, RELATING TO TEACHER LOANS

FEBRUARY 1, 2024 · EDN HEARING

POSITION: Support.

RATIONALE: The Democratic Party of Hawai'i Education Caucus **supports** HB 2572, 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 a loan to be forgiven for teachers who become a licensed teacher in Hawai'i or for teachers who will commit to teach for seven years at a Hawai'i public school or public charter school.

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.**

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