

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

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FOR: HB 1223 HD1 RELATING TO TEACHER LOANS  
DATE: February 23, 2023  
TIME: 10:00 A.M.  
COMMITTEE: Committee on Finance  
ROOM: Conference Room 308 & Videoconference  
FROM: Yvonne Lau, Interim Executive Director  
State Public Charter School Commission

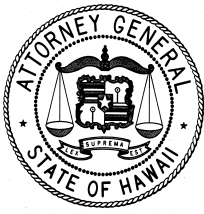
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Chair Yamashita, Vice Chair Kitagawa, and members of the Committee:

The State Public Charter School Commission (“Commission”) appreciates the opportunity to provide testimony in **SUPPORT of HB 1223 HD1** which establishes a teacher loan program to encourage individuals to become teachers in hard-to-fill positions of the Department of Education (DOE) and public charter schools and to forgive those loans if the teacher remains in that teaching position for five years.

The Commission appreciates the efforts of the Legislature to address the challenges of teacher recruitment and retention in Hawaii, especially in the rural and hard-to-fill areas. Public Charter Schools are facing the same challenges and shortages that the DOE is facing and efforts made to attract people to teach in these rural and hard-to-fill areas are welcomed.

Thank you for the opportunity to provide this testimony.



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
KA 'OIHANA O KA LOIO KUHINA  
THIRTY-SECOND LEGISLATURE, 2023**

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**ON THE FOLLOWING MEASURE:**

H.B. NO. 1223, H.D. 1, RELATING TO TEACHER LOANS.

**BEFORE THE:**

HOUSE COMMITTEE ON FINANCE

**DATE:** Thursday, February 23, 2023      **TIME:** 10:00 a.m.

**LOCATION:** State Capitol, Room 308

**TESTIFIER(S):** Anne E. Lopez, Attorney General, or  
Anne T. Horiuchi, Deputy Attorney General

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Chair Yamashita and Members of the Committee:

The Department of the Attorney General (Department) provides the following comments.

The bill establishes a teacher loan program to encourage individuals to become teachers in hard-to-fill positions of Department of Education (DOE) schools. The bill allows the loan to be forgiven after five years of teaching in a hard-to-fill position. The bill establishes a similar teacher loan program for public charter schools.

The Department recommends including a requirement that the DOE and the Hawaii State Public Charter School Commission (Commission) adopt rules to implement their respective teacher loan program. Such a provision could state:

The [department/commission] shall adopt rules to implement the teacher loan program. The rules shall be adopted pursuant to chapter 91, but shall be exempt from the public notice and public hearing requirements.

This suggested language is modeled on section 304A-701(c), Hawaii Revised Statutes, which requires rule-making to implement the Hawaii Educator Loan Program administered by the University of Hawaii (UH). Similar to UH's Hawaii Educator Loan Program, the DOE and Commission could adopt rules specifying any additional eligibility requirements the DOE or Commission may require for their respective teacher loan program or specifying repayment obligations.

The Department also suggests replacing "exasperates" with "exacerbates" on page 1, line 17, of the bill.

Thank you for the opportunity to provide comments on this measure.



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

**Date:** 02/23/2023

**Time:** 10:00 AM

**Location:** 308 VIA VIDEOCONFERENCE

**Committee:** House Finance

**Department:** Education

**Person Testifying:** Keith T. Hayashi, Superintendent of Education

**Title of Bill:** HB 1223, HD1 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 five years of teaching in a hard-to-fill position. Establishes a similar teacher loan program for public charter schools. Effective 6/30/3000. (HD1)

**Department's Position:**

The Hawaii State Department of Education (Department) respectfully provides comments for consideration on HB 1223, HD1.

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.

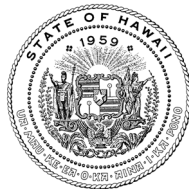
The federal government also offers several similar loan forgiveness options such as Teacher Loan Forgiveness, Perkins Loan Cancellation, and the Public Service Loan Forgiveness programs.

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, HD1.



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  
*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 COMMITTEE ON FINANCE  
ON  
HOUSE BILL NO. 1223, H.D. 1

**February 23, 2023**  
**10:00 a.m.**  
**Room 308 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, H.D. 1, amends Chapter 302A, HRS, by adding two new sections to Part III, Subpart C, and Chapter 302D-A, HRS, to:

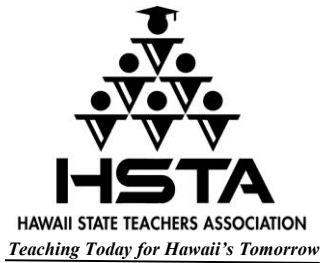
- Establish a Teacher Loan Program (TLP) in the Department of Education (DOE) and Public Charter Schools (Charters) to encourage individuals to become teachers in hard-to-fill positions. The TLP allows for loan forgiveness after five years of teaching in a hard-to-fill position.
- Establish the DOE TLP Revolving Fund (DOETLPRF) and the Charters Teacher Loan Program Revolving Fund (CTLPRF) 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 respective revolving fund and shall be expended by the respective department. An amount from the revolving fund not

exceeding 5% of the total amount of outstanding loans may be used by DOE and Charters 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 DOETLPRF and CTLPRF and appropriates an undetermined amount of revolving funds for FY 24 and FY 25 out of the respective revolving fund for each respective 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, H.D. 1, 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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Osa Tui, Jr.  
President  
Logan Okita  
Vice President  
Lisa Morrison  
Secretary-Treasurer  
Ann Mahi  
Executive Director

## TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

RE: HB 1223 HD1 - RELATING TO TEACHER LOANS

THURSDAY, FEBRUARY 23, 2023

OSA TUI, JR., PRESIDENT  
HAWAII STATE TEACHERS ASSOCIATION

Chair Yamashita and Members of the Committee:

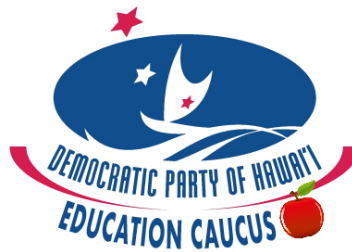
The Hawaii State Teachers Association **supports HB 1223, HD1**, relating to teacher loans. This bill establishes a teacher loan program to encourage individuals to become teachers in hard-to-fill positions of Department of Education schools and allows the loan to be forgiven after 5 years of teaching 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, HD1, RELATING TO TEACHER LOANS**

FEBRUARY 23, 2023 · HOUSE FINANCE COMMITTEE  
· CHAIR REP. KYLE YAMASHITA

**POSITION:** Support.

**RATIONALE:** The Democratic Party of Hawai'i Education Caucus **supports** HB 1223, HD1, 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; allows the loan to be forgiven after five years of teaching in a hard-to-fill position; and establishes a similar teacher loan program for public charter schools.

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](mailto:kriscoffield@gmail.com)**

**HB-1223-HD-1**

Submitted on: 2/21/2023 12:27:57 PM

Testimony for FIN on 2/23/2023 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Cards Pintor	Individual	Support	Written Testimony Only

Comments:

Aloha,

I support this bill.

Mahalo nui,

Cards Pintor

**HB-1223-HD-1**

Submitted on: 2/22/2023 7:51:09 PM

Testimony for FIN on 2/23/2023 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Johnnie-Mae L. Perry	Individual	Support	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry OPPOSE HB 1223 RELATING TO TEACHER LOANS. Length of teaching in hard to fill public/charter schools from 5 to 10 years for loan forgiveness.