

JOSH GREEN, M.D.
GOVERNOR



KEITH T. HAYASHI
SUPERINTENDENT

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 0936, HD1 RELATING TO EDUCATION.

Purpose of Bill: Beginning with the 2024-2025 school year, requires the department of education to include financial literacy in the personal transition plan requirement for each student. Appropriates funds for the establishment of a position dedicated to financial literacy within the department of education. Effective 6/30/3000. (HD1)

Department's Position:

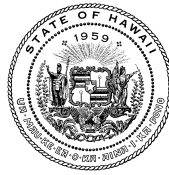
The Hawaii State Department of Education (Department) supports HB 936, HD1, but would defer to the Hawaii State Board of Education in regards to setting graduation requirements.

The Department is committed to providing access to age-appropriate financial literacy education and resources to support students in better managing their money as adults. Efforts are currently underway to facilitate the delivery of financial literacy education to every student before high school graduation, including the development of program standards that establish a baseline of student competency that can be met through a variety of financial literacy programming. The Personal Transition Plan will serve as the means to document that every student has received financial literacy education prior to graduation.

To successfully implement financial literacy education, resources are needed to ensure sustainability of this effort. The Department appreciates the appropriation for a position dedicated to financial literacy within the Office of Curriculum and Instructional Design

that will enable the Department to provide appropriate oversight and support to educators. In addition, a program budget allocation for financial literacy efforts would ensure that the Department has sufficient resources to devote toward implementation efforts such as data collection, program evaluation and monitoring, and content area support.

Thank you for your consideration and this opportunity to provide testimony on this measure.



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

House Committee on Finance

Thursday, February 23, 2023
10:00 a.m.
Via Videoconference
Hawaii State Capitol, Room 308

House Bill 936, House Draft 1, Relating to Education

Dear Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee:

The Board of Education (“Board”) respectfully provides **comments** on HB 936 HD1, which would require the Department of Education to include the teaching of financial literacy in the personal transition plan graduation requirement for each student.

The Board generally opposes proposed legislation that diminishes the Board’s power to formulate statewide educational policy as envisioned and established by Article X, Section 3, of the Constitution of the State of Hawaii.

To this end, the Board has **strong concerns** with the intent and language of this bill. This measure would essentially alter the Board’s graduation requirements it set through Board Policy 102-15 and require the teaching of a specific subject. Setting graduation requirements and determining mandatory coursework should be the role of the Board, and we believe the Legislature should leave the responsibility of determining educational requirements to the Board as a foundational part of statewide educational policy.

If the Legislature believes financial literacy education is a high priority, an appropriate alternative to the current language of this measure could be to require the Board and the Department of Education to analyze the need, impact, and feasibility of making financial literacy a graduation requirement or some other kind of mandatory coursework and, based on this analysis, require the Board to determine whether such a requirement would be in the best interests of students and the public.

Thank you for this opportunity to testify on behalf of the Board.

A handwritten signature in cursive script that reads "William N. Arakaki". The ink is dark and the handwriting is fluid and legible.

Sincerely,

Bill Arakaki

Chairperson, Board of Education 2023 Legislative Ad Hoc Committee



Testimony to the House Committee on Finance
Thursday, February 23, 2023
10:00 AM
Conference Room 308

In Support of HB 936 - Relating to Education

To: The Honorable Kyle Yamashita, Chair
The Honorable Lisa Kitagawa, Vice-Chair
Members of the Committee

My name is Stefanie Sakamoto, and I am testifying on behalf of the Hawaii Credit Union League (HCUL), the local trade association for 47 Hawaii credit unions, representing over 864,000 credit union members across the state.

HCUL is in strong support of HB 936, Relating to Education. This bill would, beginning with the 2024-2025 school year, require the department of education to include financial literacy in the personal transition plan requirement for each student, and appropriates funds for the establishment of a position dedicated to financial literacy within the department of education.

Establishing a financial literacy requirement in Hawaii's educational system would help children learn about saving money and healthy finances at an early age, giving them a jump-start in taking care of their financial well-being for the future. Hawaii's credit unions have long advocated for financial literacy and wellness, sponsoring many educational activities for children, from "Kids Savings" projects to assisting local schools in starting their own student-run credit unions. Teaching children about the importance of saving money and understanding finances from a young age has proven extremely successful in promoting financial security in later years.

Thank you for the opportunity to provide comments in support of this important legislation.



Hawaii House Bill 936: Requiring Financial Literacy Education in Hawaii High Schools

Testimony of Christian Sherrill, NGPF Mission 2030 Fund

February 22, 2023

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee,

Thank you for the opportunity to provide testimony today in support of House Bill 936.

My name is Christian Sherrill. I am a former teacher, and I represent a non-profit called NGPF Mission 2030 Fund. We're affiliated with Next Gen Personal Finance, a leader in no-cost personal finance education. NGPF's free curriculum is used by over 75,000 teachers, including 195 teachers in Hawaii!

I previously submitted testimony to the EDN committee hearing on this bill last week. I stand on that written testimony, and add the following.

To earmark an unknown amount of funding for the Department of Education around the issue of financial education, I recommend that the DOE focus on promoting teacher professional development and providing incentives to schools to actually implement personal finance courses. These actions - as evidenced by financial education coordinators in the largest school districts in the country making serious progress on personal finance education after taking these actions - will make an impact.

I was concerned that the DOE representative who testified in the EDN hearing last week made mention of standards adoption and curriculum crosswalks. Neither of these actions, if undertaken by the person whose position that this funding makes possible, would make a substantial difference in the financial education of young people in Hawaii. However, if the Department uses this funding to focus on actions that have been shown to enhance the implementation of personal finance instruction, that funding would be well spent.

As I testified in the EDN committee, this legislation already has a strong coalition of no-cost implementation partners, including NGPF with our long history of serving teachers in Hawaii middle and high schools. We look forward to supporting substantial increases in financial education in Hawaii.

I urge you to vote yes on HB936, but with a greater focus on impact and implementation. Thank you again!

Sincerely,
Christian Sherrill



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON
FINANCE
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308
THURSDAY, FEBRUARY 23, 2023 AT 10:00 A.M.**

To The Honorable Kyle T. Yamashita, Chair
The Honorable Lisa Kitagawa, Vice Chair
Members of the committee on Finance

SUPPORT HB936 HD1 RELATING TO EDUCATION

The Maui Chamber of Commerce **SUPPORTS HB936 HD1** which requires the Department of Education (DOE) to include the teaching of financial literacy in the personal transition plan requirement for each student.

The Chamber notes that a lack of financial literacy poses a significant barrier for individuals seeking to achieve financial prosperity and stability. Personal financial education is essential to ensure that Hawaii's youth are prepared to manage money, credit, and debt and to become responsible workers, heads of households, investors, entrepreneurs, business leaders, and citizens.

We feel that it is of the utmost importance to educate Hawaii's youth in economic and financial matters to prepare them for financial independence through the development of fiscal responsibility and financial management skills.

The Chamber also recommends that economics be a required course at the University of Hawaii for all students, especially those seeking a political science degree.

For these reasons, we **support HB936 HD1**.

Sincerely,

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.

HB-936-HD-1

Submitted on: 2/21/2023 12:29:32 PM

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

Submitted By	Organization	Testifier Position	Testify
Cards Pintor	Individual	Support	Written Testimony Only

Comments:

Aloha,

I support this bill.

Mahalo nui,

Cards Pintor

HB-936-HD-1

Submitted on: 2/21/2023 7:59:41 PM

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

Submitted By	Organization	Testifier Position	Testify
Leigh Wong-Miyasato	Individual	Support	Written Testimony Only

Comments:

I support this bill.

HB-936-HD-1

Submitted on: 2/21/2023 10:04:36 PM

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

Submitted By	Organization	Testifier Position	Testify
Kalma Wong	Individual	Support	Written Testimony Only

Comments:

Please pass HB936 HD1.

HB-936-HD-1

Submitted on: 2/21/2023 10:33:12 PM

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

Submitted By	Organization	Testifier Position	Testify
Matt Yamada	Individual	Support	Written Testimony Only

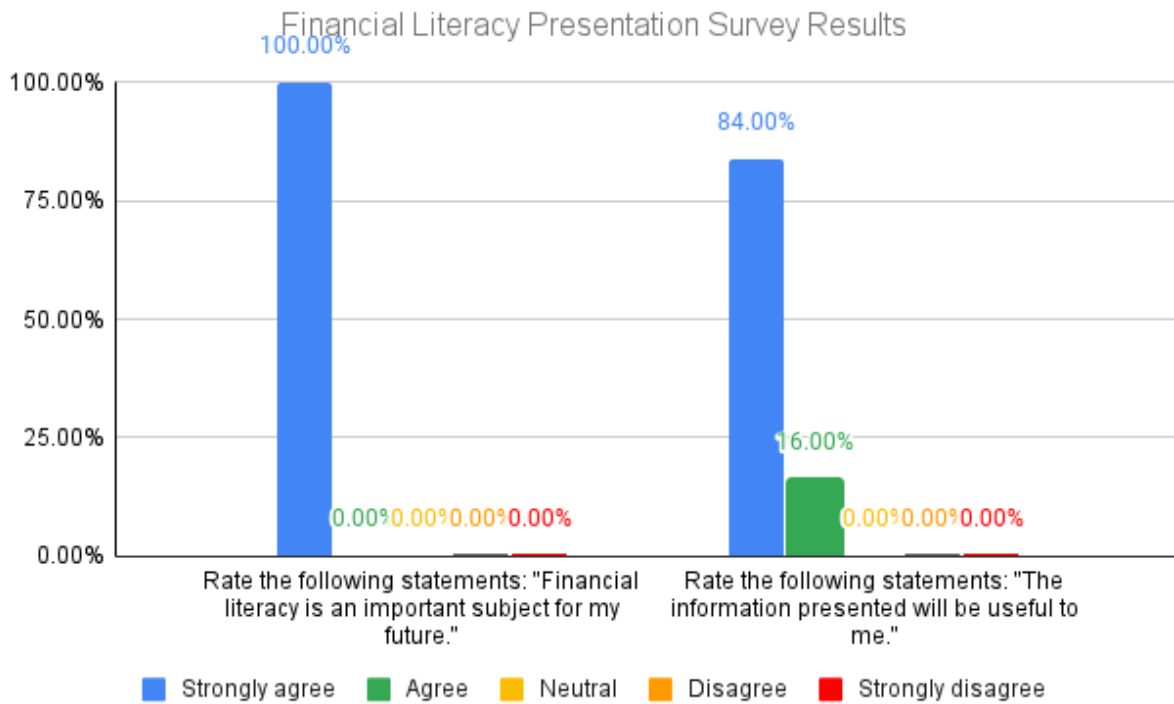
Comments:

I am a high school teacher. I support this bill.

Tuesday, February 21, 2023

My name is Kera Wong-Miyasato, M.B.A. and I'd like to express my full support for House Bill #936 HD1 to make financial literacy classes a requirement in the DOE.

I am a former volunteer of the UH Mānoa Financial Literacy Program (FLP), which was defunded in 2020. **Despite being defunded, the FLP continues to receive several requests for financial literacy presentations, highlighting the obvious need for financial education.** In order to fill this need, I have been volunteering my time to give financial literacy presentations in place of the FLP to various cohorts at UH Mānoa and local high schools. Nearly every student and parent I've taught has mentioned how important they think financial literacy is and that they wish they learned about it earlier. See the chart below showing survey results from my students.



As you can see, **100% of students surveyed said they strongly agree that financial literacy is an important subject for their future.** 84% of students surveyed said they strongly agree that the information presented about financial literacy will be useful to them, while the remaining 16% agreed with the statement.

Financial literacy classes in Hawai'i's schools will prepare our keiki for their financial futures. It will increase students' confidence and help them reach their financial goals more quickly and with less mistakes along the way. **It will also create greater generational wealth, helping to elevate the quality of life of lower-income families throughout the state. This will, in turn, lead to greater tax revenue for the State.**

Mahalo,
Kera Wong-Miyasato, M.B.A.

HB-936-HD-1

Submitted on: 2/21/2023 11:06:19 PM

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

Submitted By	Organization	Testifier Position	Testify
Alec Wong-Miyasato	Individual	Support	Written Testimony Only

Comments:

I support this bill. It's something I wish I had in high school.

Aloha Chair Yamashita, Vice-Chair Kitagawa, and Members of the House Finance Committee,

My name is Raiyan Rafid, and **I am writing to express my strong support for House Bill 936.**

I came to Hawaii August 2015 as an international student. Since then, I have received an AA, a BA, and an MS degree from University of Hawaii. Reflecting on my time at UH (since 2015) I unfortunately cannot remember a single class/lesson related to financial literacy.

After the tumultuous years of covid the world is becoming increasingly complex, and it is essential that our youth have the necessary tools to navigate the financial landscape. The lack of financial education in our education system is a significant barrier for individuals seeking to achieve financial stability and independence. Students are not being taught the critical financial skills they will need to be successful later in life, which is a problem that can lead to lifelong financial struggles.

The inclusion of financial literacy in the personal transition plan requirement will help to ensure that Hawaii's youth are equipped with the skills necessary to manage money, credit, and debt. Financial literacy is also crucial in preparing students to become responsible workers, heads of households, investors, entrepreneurs, business leaders, and citizens. As a member of the House Finance Committee, I am sure you understand the importance of financial literacy as it relates to the education of the future generation of Hawaii. Your investment will play a critical role in the lives of future taxpayers of Hawaii.

Moreover, the bill acknowledges that financial education is a lifelong learning process that empowers individuals to plan for their futures. The inclusion of financial literacy in the personal transition plan requirement will help to address this issue, providing students with the financial management skills that are essential to achieving financial prosperity.

I strongly urge that you support and vote YES on House Bill 936, as it will help to ensure that Hawaii's future generations are equipped with the necessary skills to succeed in their financial lives.

Thank you for your kind consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rafid', with a stylized flourish at the end.

Raiyan A. Rafid

Aloha Chair Yamashita, Vice-Chair Kitagawa, and members of the Finance Committee:

My name is Danson Honda, and I am a former student member of the Hawai'i State Board of Education testifying in **strong support** for HB936 HD1 relating to financial literacy.

Hawai'i leads the nation in high cost of living yet lags the nation in preparing students with the financial education needed to tackle the real world. Seventeen states already have statewide mandates to have a standalone financial literacy class as a graduation requirement.

Teaching financial literacy in school is a must. A [2017 T. Rowe Price Survey](#) found that many parents are reluctant to discuss finances with their kids and that parents are likely to pass down good and bad financial habits to their kids. This shows that teaching financial literacy to students doesn't just affect this generation, but also for future generations to come. Furthermore, when children exhibit responsible and positive behaviors, it can inspire and motivate their parents to adopt similar habits, leading to a healthier and more harmonious household. In this way, good habits can "trickle up" from children to their parents and lead to positive changes throughout the family.

In 2015, [Senate Concurrent Resolution 97; S.D. 1](#) was passed, establishing the financial literacy task force. This task force submitted a report to the Legislature recommending the implementation of a financial literacy program in schools. Furthermore, [Senate Concurrent Resolution 152](#) which was introduced in 2021 and passed, urged the Department of Education to coordinate with the Department of Commerce and Consumer Affairs to implement a graduation requirement of at least a half credit in financial literacy during the junior year or senior year. **Despite these previous efforts, financial literacy is still not a graduation requirement, and a vast majority of students continue to complete their K-12 education without ever being exposed to a comprehensive financial education.** Thus, Hawai'i continues to be ranked among the states with the lowest level of high school financial literacy in the nation. Eight years have gone by without substantial results, and the cost of living has increased exponentially during this time. The median price of single-family homes increased by FIFTY percent, in addition to rising interest rates.

The Hawai'i State Board of Education's new [2023-2029 Strategic Plan](#) identifies in Goal 1.3.3 that "all students graduate high school with a personal plan for their future." Financial literacy can help students achieve that goal by giving them the financial tools they need to make informed financial decisions, regardless of which career path they choose or end up in.

Hawai'i has the highest cost of living in the nation. As a result, the financial skills students need to succeed are beyond simply budgeting and saving. Becoming a homeowner in Hawai'i is likely the most significant challenge students will face in their adult lives and addressing Hawai'i's housing issue has dominated the headlines. Unfortunately, spending \$5 less daily on coffee and cutting down on avocado toast will not prepare students to become homeowners, and by the time it takes to save up for a down payment, house prices will likely increase much more than they had saved. Advanced topics, such as investing, the true cost of college, and the

home-buying process, must be explored in depth. Investing in the stock market has become easier over the years, with popular apps such as Robinhood attracting the attention of many young investors. With the swipe of a finger, eighteen-year-olds with zero knowledge of the stock market can buy and sell stocks. We need to teach students about investing, so they understand the risks and opportunities involved. Students should also learn about the home-buying process so they can plan early. Eighteen-year-olds right out of high school can already start building their credit score, a critical factor in the home-buying process. Furthermore, students must learn about the true cost of a college education. Allowing students without an understanding of student loans and time value of money to get into tens if not hundreds of thousands in debt right out of high school, to get a degree that may or may not be relevant in the future, is **irresponsible** and may cause irreversible financial harm in the future. It is crucial for students to learn about these comprehensive topics in a classroom setting.

Most of the solutions proposed to solve Hawaii's affordability crisis involve efforts to bring down prices. Despite year after year of these talks, as we're all too familiar with, the long-term trajectory of prices has been up, not down. Affordability has only gotten worse, not better. To make a substantial impact and help our future generations have a better financial future, we must also empower our youth with the financial skills they need so they can afford to stay here in Hawai'i.

To help ensure successful implementation, I strongly urge the committee to appropriate adequate funds for the Hawai'i DOE. By investing in the financial education of our youth, we can create a brighter future for our community and our economy.

Mahalo for your consideration.

"We would not allow a young person to get in the driver's seat of a car without requiring driver's education, and yet we allow our youth to enter the complex financial world without any related education. An uneducated individual armed with a credit card, a student loan, and access to a mortgage can be nearly as dangerous to themselves and their community as a person with no training behind the wheel of a car."

- Champlain College, Center for Financial Literacy

With Aloha,

Danson Honda

Aloha Chair Yamashita, Vice-Chair Kitagawa, and members of the Education Committee:

My name is Jody Libed and I am a lifelong resident of the State of Hawaii, a licensed Realtor, and a graduate of Hawaii's public school system. I am testifying in **strong support** for HB936 relating to financial literacy.

Financial literacy is the ability to understand and effectively use various financial skills, including personal financial management, [budgeting](#), home ownership and investing. The earlier someone starts, the better off they will be because education is the key to success when it comes to personal finances.

A strong foundation of financial literacy can help support various life goals, such as saving for education or retirement, buying or selling a home, using debt responsibly, or running a business. Knowing how to create and manage budgets, save for home ownership, manage and track expenses and evaluating the tradeoffs between different credit and investment products, often require at least a working knowledge of key financial concepts, such as [compound interest](#) and the [time value of money](#). These skills are key to a financially sound life.

Previously, barter and cash purchases were the way that people did business. However, in today's world many goods and services are transacted via credit products such as credit and debit cards, electronic transfers such as Apple Pay, Venmo and Zelle or digital currencies such as bitcoin. Other products, such as mortgages, student loans, personal loan, health insurance, and self-directed investment accounts have also grown in importance. This has made it even more imperative for individuals to understand financial products and services and know how to navigate and utilize financial strategies in our current economy.

Financial literacy covers short-term as well as long-term financial strategy. Financial literacy encompasses knowing how investment decisions made today will impact your tax liabilities in the future. This also includes knowing which investment vehicles are best to use when saving for a home or retirement.

From day-to-day expenses to long-term budget forecasting, financial literacy is crucial for managing these factors. As mentioned above, it is important to plan and save enough to provide adequate income for home ownership as well as in retirement while avoiding high levels of debt that might result in bankruptcy, defaults, and foreclosures.

The benefits of financial literacy are key to a fiscally healthy life:

- Financial decisions may have long-term implications that cost individuals money or impact life plans. Financial literacy helps individuals avoid making mistakes with their personal finances.
- Financial literacy helps people plan for emergencies through savings and rainy day funds.
- By better understanding how to budget and save money, individuals can create plans that set expectations, hold them accountable to their finances, and sets a course for achieving seemingly unachievable goals. Though someone may not be able to afford a dream today, they can always make a plan to better increase their odds of making it happen. This is especially true in achieving homeownership.

- By having appropriate knowledge about finances, individuals can approach major life choices with greater confidence realizing they are less likely to be surprised or negatively impacted by unforeseen outcomes.

Conversely, lacking financial literacy can be damaging to an individual's long-term financial success. Being financially illiterate can lead to a number of pitfalls, such as being more likely to accumulate unsustainable debt burdens, either through poor spending decisions or a lack of long-term preparation. This, in turn, can lead to poor credit, bankruptcy, housing foreclosure, and other negative consequences.

Low financial literacy has left Millennials—the largest share of the American workforce—unprepared for a severe financial crisis, according to research by the TIAA Institute. Even among those who report having a high knowledge of personal finance, only 19% answered questions about fundamental financial concepts correctly. Forty-three percent report using expensive alternative financial services, such as payday loans and pawnshops. More than half lack an emergency fund to cover three months' expenses, and 37% are financially fragile (defined as unable or unlikely to be able to come up with \$2,000 within a month in the event of an emergency).

Millennials also carry large amounts of student loan and mortgage debt—in fact, 44% of them say they have too much debt.

Unfortunately, research has shown that financial illiteracy is very common, with the Financial Industry Regulatory Authority (FINRA) stating that 66% of Americans are financially illiterate.

Hawai'i leads the nation in high cost of living yet lags the nation in preparing students with the financial education needed to tackle the real world. The Hawai'i DOE has shown numerous times that allowing them to implement financial literacy programs on their own terms is ineffective and has barely gotten off the ground. **A state mandate is needed.** In 2015, [Senate Concurrent Resolution 97; S.D.1 and again in 2021, Senate Concurrent Resolution 152](#) was introduced asking the DOE to work with DCCA and other groups to set up programs and nothing to date has come of that. Our students need to be prepared for the future and they certainly deserve to be educated and informed!

Luckily, I was taught by my parents about fiscal responsibility and finances at an early age, but looking back at what I know now, I think how much better my classmates and I would be prepared had we had the opportunity to learn about financial skills in depth.

As a realtor, we oftentimes work with first time homebuyers. It is astonishing to see how many do not understand income, expenses, loans, debt, debt-to-income ratio, etc. and programs such as the Hawaii Homeownership Center has helped a lot in filling some of this gap. However, there is so much more financial knowledge that would have helped our first-time buyers.

I think back to one of my clients, both of whom were well educated and had good higher paying jobs. They came to me seeking to purchase a new home but when we started discussing the need to obtain a mortgage and credit scores, they told me that their credit score was bad because they had a lot of loans and kept falling further into debt and couldn't seem to climb their way out of this spiral. After advising them to work with a financial advisor/accountant, they began to understand that there were ways to get out of their predicament. After we all worked together for 2 years and they diligently

followed the financial advisor's recommendations, they were able to pay off their debts and improve their credit score from low 500s to high 700s and were then able to qualify for a mortgage, follow a budget and purchase a home. One of the things that she said to me at that time really struck me because she said that she wished that when she was younger if only someone had taught her the financial knowledge that she learned now, she would have never allowed herself to fall into such disarray and that all Americans should be educated about finances.

If we do nothing to prepare our students for this new financial reality, our school system, our community and our State will have failed our Keiki and our future.

Mahalo for your consideration.

Aloha,
Jody Libed

HB936 House Finance Committee

I am in strong support for financial literacy in t least our high schools. I do believe their is a place for it in intermediate schools also.

I do not see any testimonies on this bill. I doubt it is due to lack of interest. This session there is a plethora of bills regarding education. This one is just as important!

Today's economic climate requires students to understand all facets of finance. Students are starting work as early as 14 years old. Teaching them about income, taxes and saving are important. Due to the high cost of living in Hawaii, young adults need to understand contributing to family.

Many of our students will graduate, some going off to college others remaining at home.

It is no surprise that we have multiple generation families living under one household. Household incomes vary widely. You can see expansions on many homes to accommodate larger households.

Learning to contribute to a household means many things. Graduating students need to understand budgeting.

Please pass this bill.

HB-936-HD-1

Submitted on: 2/22/2023 8:00:09 PM

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

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

Comments:

I, Johnnie-Mae L. Perry SUPPORT HB 244 RELATING TO CAREER AND TECHNICAL EDUCATION. To include the Waianae community.