

JOSH GREEN, M. D.
GOVERNOR
KE KIA'ĀINA



WILBERT S. HOLCK
CHIEF NEGOTIATOR

SYLVIA LUKE
LT. GOVERNOR
KA HOPE KIA'ĀINA

STATE OF HAWAII
OFFICE OF COLLECTIVE BARGAINING
EXECUTIVE OFFICE OF THE GOVERNOR
235 S. BERETANIA STREET, SUITE 1201
HONOLULU, HAWAII 96813-2437

Statement of
WILBERT S. HOLCK
Chief Negotiator, Office of Collective Bargaining

Before the
HOUSE COMMITTEE ON FINANCE
Friday, February 23, 2024
1:00 p.m.
State Capitol, Conference Room 308

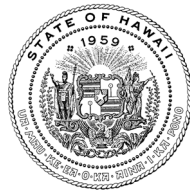
In consideration of
HB 1653 HD1, Relating to Education

Chair Yamashita, Vice-Chair Kitagawa and the members of the committee:

The Office of Collective Bargaining (OCB) respectfully opposes HB 1653 HD1, which provides annual salary step increases for public school teachers and educational officers who have completed a year's satisfactory service and comply with specified requirements.

Wages, hours, and other terms and conditions of employment are subject to negotiations as provided in Hawaii Revised Statutes, §89-9. We note that the 2016 legislature agreed when nearly identical provisions were repealed.

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



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

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 1653, H.D. 1

February 23, 2024
1:00 p.m.
Room 308 and Videoconference

RELATING TO EDUCATION

The Department of Budget and Finance (B&F) opposes this bill.

House Bill No. 1653, H.D. 1, provides bargaining unit (BU) (5), teachers and educational officers who have completed a year's satisfactory service and who have complied with the other requirements of Sections 302A-602 to 302A-639 and 302A-701, as applicable, an annual increment negotiated pursuant to a collective bargaining (CB) agreement. In addition, the bill provides longevity step increases for teachers and educational officers who have served satisfactorily for three years in their maximum increment step or in any longevity step and who have complied with the other requirements of Sections 302A-602 to 302A-639.

B&F opposes this measure because it is contrary to the CB process. This measure preferentially directs the outcome of CB negotiations for select BUs.

While the Legislature has the authority to set the scope of CB, the Legislature did this in setting up a process in Chapter 89, HRS. This bill disrupts that process due to its partial return to directly legislated wages and working conditions for public employees.

Thank you for your consideration of our comments.



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

Date: 02/23/2024

Time: 01:00 PM

Location: 308 VIA VIDEOCONFERENCE

Committee: House Finance

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Title of Bill: HB 1653, HD1 RELATING TO EDUCATION.

Purpose of Bill: Pursuant to a collective bargaining agreement negotiated for Bargaining Unit (5), provides annual salary step increases for public school teachers and educational officers who have completed a year's satisfactory service and comply with specified requirements. Effective 7/1/3000. (HD1)

Department's Position:

The Hawaii State Department of Education (Department) respectfully provides comments on this measure.

The Department appreciates the Legislature's efforts to improve the Department's ability to attract and retain quality employees to support Hawaii's K-12 public schools. Providing automatic step increases in teacher and educational officer salaries for each year of satisfactory service completed would provide a powerful tool to achieve that goal.

The Department provides the following comments for the Legislature's consideration.

The measure explicitly addresses the Legislature's intent to provide automatic step increases for both teachers and educational officers for each year of satisfactory service. Bargaining Unit 5 (BU5) covers more than just teachers, but also includes librarians, counselors, and resource teachers. The Department believes that adjusting the language to include all members of BU5 would be appropriate.

Additionally, the measure also includes mention of educational officers, who are

covered by Bargaining Unit 6 (BU6). The Department believes adding language specifically referencing BU6 would be appropriate to maintain consistency.

The Department believes that all of its employees serve in equal, yet diverse roles to help ensure student achievement. In light of this, the Department encourages the Legislature to consider including all other Bargaining Units to acknowledge the tremendous team effort it takes to ensure a successful Department. The Department urges the Legislature to consider including step movements for the following Bargaining Units to the measure:

- o Bargaining Unit 1- Blue-Collar Non-Supervisory Employees
- o Bargaining Unit 2- Blue-Collar Supervisory Employees
- o Bargaining Unit 3- White-Collar Non-Supervisory Employees
- o Bargaining Unit 4- White-Collar Supervisory Employees
- o Bargaining Unit 9-Registered Professional Nurses
- o Bargaining Unit 10- Institutional, Health, and Correction Officers
- o Bargaining Unit 13- Professional and Scientific Employees

The Department notes that the Hawaii Revised Statutes, Chapter 89-9 requires negotiations between the employer and exclusive representative with respect to wages. The exclusive representatives of the Department's bargaining units, with the exception of BU5, are poised to enter into negotiations with the State of Hawaii (employer) within the next year for new collective bargaining agreements, which end on June 30, 2025.

Finally, should the Legislature proceed with authorizing this measure, the Department respectfully requests that the legislature please simultaneously include the funds necessary to implement these step movements into the Department's base budget going forward.

Thank you for the opportunity to testify on HB 1653, HD1.



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Osa Tui, Jr.
President

Logan Okita
Vice President

Lisa Thompson
Secretary-Treasurer

Ann Mahi
Executive Director

TESTIMONY TO THE HAWAII HOUSE COMMITTEE ON FINANCE

Item: **HB1653 HD1 - Relating to Education**
Position: **Support**
Hearing: **February 23, 2024, 1:00 p.m., Conference Room 308**
Submitter: **Osa Tui, Jr. – President, Hawai'i State Teachers Association**

Chair Yamashita, Vice Chair Kitagawa and members of the committee,

The Hawai'i State Teachers Association **supports** HB1653 HD1 which, pursuant to a collective bargaining agreement negotiated for Bargaining Unit (5), provides annual salary step increases for public school teachers and educational officers who have completed a year's satisfactory service and comply with specified requirements.

HSTA will note that "longevity steps" on the salary schedule were phased out of the Unit 5 collective bargaining agreement at the start of the 1989-1990 school year.

Article XX of the current Unit 5 collective bargaining agreement has language that states:

The parties recognize that annual incremental step movements are a viable recruiting and retention tool. Teachers who are not at the top of the salary schedule and who have effective evaluations shall move to the next highest step of the corresponding class at the beginning of each school year. Annual incremental step movements are subject to funding.

This bill, if passed and funded, will satisfy the last sentence above and go a long way towards recruitment and retention of Hawai'i public school educators. As such, the Hawai'i State Teachers Association asks your committee to **support** this bill.



TESTIMONY FROM THE DEMOCRATIC PARTY OF HAWAII

HOUSE COMMITTEE ON FINANCE

FEBRUARY 23, 2024

HB 1653, HD1, RELATING TO EDUCATION

POSITION: SUPPORT

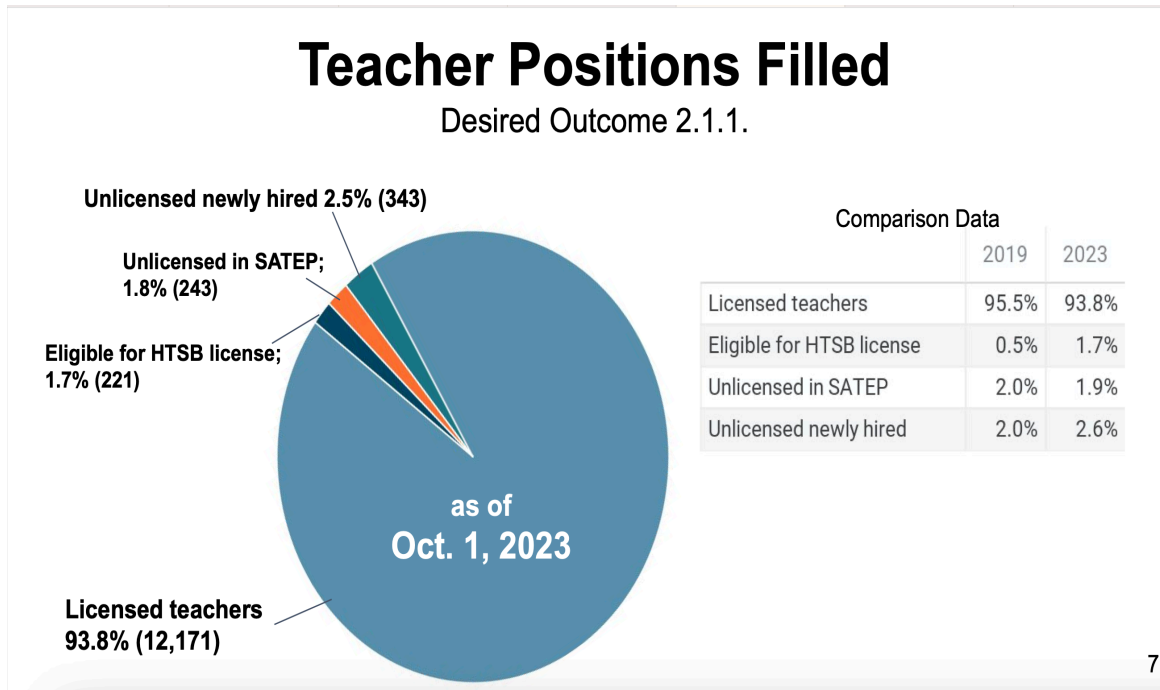
The Democratic Party of Hawaii **supports** HB 1653, HD1, relating to education. Pursuant to the “Education” section of the official Democratic Party of Hawaii platform, the party believes, “Educators should be paid professional salaries to ensure that all children are taught by qualified teachers.”

Teachers are the most important professionals in increasing student achievement. According to numerous studies, however, Hawaii’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 Hawaii Department of Education found that when compared with other high-cost geographic locations, Hawaii 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 in recent years, teachers are still underpaid compared to other professions that require a similar level of education. **Restoring guaranteed annual increments, more commonly known as “step increases,” would significantly help to alleviate that gap.**

Additionally, low teacher pay adversely impacts the State’s ability to recruit and retain quality classroom leaders. **While Gov. Josh Green recently said in**

his State of the State address that the teacher shortage had been cut by 50 percent, this figure is not entirely accurate. In fact, by other measures, the teacher shortage is getting worse. According to a presentation provided to the Hawai'i Board of Education by DOE officials on January 13, 2024, **the number of licensed teachers employed by our state's public school system has fallen from 95.5 percent of total positions in 2019 to 93.8 percent in 2023.**



As of October 1, 2023, the department had over 800 teaching positions that were filled by educators who fell into the categories of unlicensed newly hired (emergency hires), unlicensed but in the process of completing a state approved teacher education program, or eligible for a teaching license that has not yet been acquired. **While the DOE may only be actively recruiting for roughly 200 positions, that is almost certainly because many positions are currently filled by unlicensed teachers and emergency hires.**

Strengthening teacher compensation, as this bill modestly proposes, improves educator retention. A Stanford University analysis found that raising teacher wages by 10 percent reduces high school dropout rates by 3 to 4 percent. Similarly, a Florida study 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. When our state

implemented differential pay increases for special education, Hawaiian immersion, and hard-to-staff positions, vacancies in those areas fell dramatically.

To deliver the schools our keiki deserve, we must pay teachers what they're worth. It is the least we can do for the hardworking educators on whom our children's and our society's future depends.

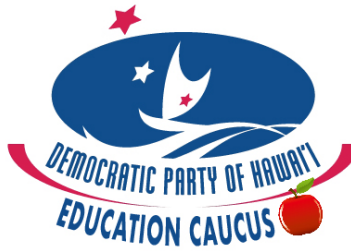
Mahalo nui loa,

Kris Coffield

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Abby Simmons

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HOUSE BILL 1653, HD1, RELATING TO EDUCATION

FEBRUARY 23, 2024 · FIN HEARING

POSITION: Support.

RATIONALE: The Democratic Party of Hawai'i Education Caucus **supports** HB 1653, HD1, relating to education, which, pursuant to a collective bargaining agreement negotiated for bargaining unit (5), provides annual salary step increases for public school teachers and educational officers who have completed a year's satisfactory service.

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 in recent years, teachers are still underpaid compared to other professions that require a similar level of education. **Restoring guaranteed annual increments, more commonly known as "step increases," would significantly help to alleviate that gap.**

Additionally, low teacher pay adversely impacts the State's ability to recruit and retain quality classroom leaders. **While Gov. Josh Green recently said in his State of the State address that the teacher shortage had been cut by 50 percent, this figure is not entirely accurate.** In fact, by other measures, the teacher shortage is getting worse. According to a presentation provided to the Hawai'i Board of Education by DOE officials on January 13, 2024, **the number of licensed teachers employed by our state's public school system has fallen from 95.5 percent of total positions in 2019 to 93.8 percent in 2023.**

As of October 1, 2023, the department had over 800 teaching positions that were filled by educators who fell into the categories of unlicensed newly hired (emergency hires), unlicensed but in the process of completing a state approved teacher education program, or eligible for a teaching license that has not yet been acquired. **While the DOE may only be actively recruiting for roughly 200 positions, that is almost certainly because many positions are currently filled by unlicensed teachers and emergency hires.**

Strengthening teacher compensation, as this bill modestly proposes, improves educator retention. A Stanford University analysis found that raising teacher wages by 10 percent reduces high school dropout rates by 3 to 4 percent. Similarly, a Florida study 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. When our state implemented differential pay increases for special education, Hawaiian immersion, and hard-to-staff positions, vacancies in those areas fell dramatically.

To deliver the schools our keiki deserve, we must pay teachers what they're worth. It is the least we can do for the hardworking educators on whom our children's and our society's future depends.

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



TESTIMONY FROM THE DEMOCRATIC PARTY OF HAWAI'I LABOR CAUCUS

HOUSE COMMITTEE ON FINANCE · FEBRUARY 23, 2024

HB 1653, HD1, RELATING TO EDUCATION

POSITION: SUPPORT

The Democratic Party of Hawai'i Labor Caucus **supports** HB 1653, HD1, relating to education. 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 in recent years, teachers are still underpaid compared to other professions that require a similar level of education. Restoring guaranteed annual increments, more commonly known as "step increases," would significantly help to alleviate that gap.

Additionally, low teacher pay adversely impacts the State's ability to recruit and retain quality classroom leaders. By some measures, the teacher shortage is getting worse. According to a presentation provided to the Hawai'i Board of Education by DOE officials on January 13, 2024, the number of licensed teachers employed by our state's public school system has fallen from 95.5 percent of total positions in 2019 to 93.8 percent in 2023.

As of October 1, 2023, the department had over 800 teaching positions that were filled by educators who fell into the categories of unlicensed newly hired

(emergency hires), unlicensed but in the process of completing a state approved teacher education program, or eligible for a teaching license that has not yet been acquired. While the DOE may only be actively recruiting for roughly 200 positions, that is almost certainly because many positions are currently filled by unlicensed teachers and emergency hires.

Strengthening teacher compensation, as this bill modestly proposes, improves educator retention. A Stanford University analysis found that raising teacher wages by 10 percent reduces high school dropout rates by 3 to 4 percent. Similarly, a Florida study 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. When our state implemented differential pay increases for special education, Hawaiian immersion, and hard-to-staff positions, vacancies in those areas fell dramatically.

To deliver the schools our keiki deserve, we must pay teachers what they're worth. It is the least we can do for the hardworking educators on whom our children's and our society's future depends.

Mahalo,

Jason Bradshaw

Chairperson, Democratic Party of Hawai'i Labor Caucus



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Thirty-Second Legislature, State of Hawaii
House of Representatives
Committee on Finance

Testimony by
Hawaii Government Employees Association

February 23, 2024

H.B. 1653, H.D. 1 — RELATING TO EDUCATION

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO wishes to provide comments on H.B. 1653, H.D. 1, which seeks to provide annual salary step increases for public school teachers and educational officers who have completed a year's satisfactory service and comply with specified requirements pursuant to a collective bargaining agreement negotiated for Bargaining Unit (5).

In accordance with Hawaii Revised Statutes, Chapter 89-9, wages, hours, and other terms and conditions of employment are subject to negotiations between the employer and exclusive representative. Therefore, the Legislature is not the appropriate body to provide annual salary step increases for public school teachers in bargaining unit (5) nor educational officers in bargaining unit (6). This authority rests between the exclusive representative(s) and the Office of Collective Bargaining. In addition, police officers, fire fighters, corrections officers, EMT's, blue collar employees and university faculty would be ignored under this proposal.

Restoring step movements for only two groups of employees is unfair to the rest of the state's workforce, therefore if the legislature would like to restore the automatic step movement plan, then we urge the legislature to consider including ALL employees across 15 bargaining units.

Thank you for the opportunity to submit comments for H.B. 1653. H.D. 1.

Sincerely,

Randy Perreira
Executive Director