



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 SENATE COMMITTEE ON WAYS AND MEANS  
ON  
SENATE BILL NO. 440, S.D. 1

**February 12, 2025**  
**10:01 a.m.**  
**Room 211 and Videoconference**

RELATING TO EDUCATION

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

Senate Bill (S.B.) No. 440, S.D. 1, establishes the Future Career and Technical Education Teacher Scholarship Program (FCTETSP) administered by the Department of Education to facilitate the recruitment and retention of career and technical education to teachers; establishes the FCTETSP Special Fund (FCTETSPSF); and appropriates an unspecified amount of general funds for FY 26 and FY 27 for the FCTETSP. Revenues for the FCTETSPSF include legislative appropriations and funds received as repayment from scholarship recipients.

As a matter of general policy, B&F does not support the creation of any special fund, which does not meet the requirements of Section 37-52.3, HRS. Special 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 S.B. No. 440, S.D. 1, it is difficult to determine whether the proposed special fund would be self-sustaining.

Further, this bill does not provide a special fund appropriation to support the program as envisioned in the bill.

Thank you for your consideration of our comments.

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:** 02/12/2025

**Time:** 10:01 AM

**Location:** CR 211 & Videoconference

**Committee:** Senate Ways and Means

**Department:** Education

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

**Bill Title:** SB 0440, SD1 RELATING TO EDUCATION.

**Purpose of Bill:** Establishes the Future Career and Technical Education Teacher Scholarship Program to be administered by the Department of Education to facilitate the recruitment and retention of career and technical education teachers in Hawaii public schools. Establishes the Future Career and Technical Education Teacher Scholarship Special Fund. Appropriates funds. Effective 7/1/2050. (SD1)

**Department's Position:**

The Department of Education (Department) supports the intent of SB 440, SD1 that establishes the future career and technical education (CTE) teacher scholarship program, which will assist in addressing ongoing challenges of recruiting qualified CTE teachers in Hawaii's public schools.

At this time, the Department would need to do more analysis as to how the mandates of this measure would be carried out as additional staff and resources may be needed to administer the program.

The Department appreciates this proposal and the inclusion of funding but asks that any additional funding does not affect the Department's Governor approved budget requests.

Thank you for the opportunity to testify regarding SB 440, SD1.



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**  
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI  
A HO'OMĀKA'IKĀ'I

**JOSH GREEN, M.D.**  
GOVERNOR

**SYLVIA LUKE**  
LT. GOVERNOR

**JAMES KUNANE TOKIOKA**  
DIRECTOR

**DANE K. WICKER**  
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804  
Web site: [dbedt.hawaii.gov](http://dbedt.hawaii.gov)

Telephone: (808) 586-2355  
Fax: (808) 586-2377



Statement of  
**JAMES KUNANE TOKIOKA**  
Director

Department of Business, Economic Development, and Tourism  
before the  
**SENATE COMMITTEE ON WAYS AND MEANS**

Wednesday, February 12, 2025, 10:01 AM  
State Capitol, Conference Room #211

In consideration of  
**SB 440 SD1**  
**RELATING TO EDUCATION**

Chair Dela Cruz, Vice Chair Moriwaki, and members of the WAM Committee. The Department of Business, Economic Development, and Tourism (DBEDT) appreciates the opportunity to provide comments on SB440 SD1, which establishes the Future Career and Technical Education (CTE) Teacher Scholarship Program and a corresponding special fund to support the recruitment and retention of CTE teachers in Hawaii's public schools.

DBEDT previously submitted comments in support of SB440, emphasizing the importance of ensuring a sustainable pipeline of qualified CTE educators who can prepare Hawaii's students for high-demand careers. We appreciate the amendments made in SB440 SD1, particularly the addition of a requirement for scholarship recipients to obtain a license from the Hawaii Teacher Standards Board. This aligns the program with teacher qualification standards and ensures that scholarship recipients are prepared to meet Hawaii's educational and workforce needs.

We reiterate our previous comments on ways to enhance the effectiveness and long-term impact of this program:

**Strengthening Industry Alignment and Teacher Externship Opportunities:**

While CTE teachers play a critical role in preparing students for high-demand fields, ongoing exposure to industry trends and practices is essential. A potential enhancement to SB440 SD1 could be the inclusion of externship opportunities for CTE teachers, allowing them to gain hands-on experience with local businesses and industries. This would ensure their instruction remains current and aligned with evolving workforce needs.

**Supporting New CTE Teachers Beyond Recruitment:** Recruiting CTE teachers is only the first step—ensuring their retention is equally important. High turnover in specialized fields is often linked to a lack of structured mentorship and professional development. The Legislature may wish to consider provisions that support mentorship programs and ongoing training opportunities for scholarship recipients once they enter the workforce, improving retention rates and ensuring long-term program success.

**Expanding Eligibility to Support More Local Candidates:** As currently drafted, SB440 SD1 limits eligibility to students enrolled in a University of Hawaii teacher education program. While UH plays a central role in training educators, Hawaii residents who pursue education degrees at other accredited institutions (e.g., HPU, Chaminade, BYU-Hawaii) or out-of-state programs with the intent to return could also benefit from this scholarship. Expanding eligibility would increase access to the program while maintaining the goal of strengthening Hawaii's local teacher workforce.

**Establishing a Framework to Track Scholarship Outcomes:** To ensure the long-term success of the program, a reporting mechanism could be incorporated to track:

- The number of recipients who complete the program
- Their placement within the Department of Education (DOE) system
- And their retention rates beyond the required five-year teaching commitment.

This data would provide valuable insights and help refine the program over time.

**Prioritizing High-Demand CTE Fields:** Hawaii's economic diversification strategy prioritizes workforce development in key sectors such as advanced manufacturing, healthcare, energy, creative industries, and agriculture. Ensuring that scholarship recipients enter CTE teaching roles aligned with these strategic industries would strengthen the connection between education and workforce priorities. The Legislature may wish to consider prioritizing scholarships for applicants pursuing CTE teaching positions in high-need fields to maximize the program's impact.

Finally, we note that SB440 SD1 includes an unspecified appropriation amount; if the Committee determines a funding level, we recommend ensuring that appropriations align with the program's intended scope and sustainability.

DBEDT appreciates the Legislature's commitment to addressing the shortage of CTE teachers in Hawaii's public schools. By incorporating structured industry engagement, mentorship support, expanded eligibility, tracking of scholarship outcomes, and prioritization of high-demand fields, SB440 SD1 could be even more impactful in preparing Hawaii's students for the jobs of the future.

Mahalo for the opportunity to testify.

**Testimony to the Senate Committee on Ways and Means  
Senator Donovan M. Dela Cruz, Chair  
Senator Sharon Y. Moriwaki, Vice Chair**

**Wednesday, February 12, 2025, at 10:01 AM  
Conference Room 415 & Videoconference**

**LATE**

**RE: SB440 SD1 Relating to Internships**

Aloha e Chair Aquino, Vice Chair Lee, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber supports Senate Bill 440 Senate Draft 1 (SB440 SD1), which establishes the Future Career and Technical Education Teacher Scholarship Program to be administered by the Department of Education to facilitate the recruitment and retention of career and technical education teachers in Hawai'i public schools. Establishes the Future Career and Technical Education Teacher Scholarship Special Fund.

SB440 SD1 aligns with our 2030 Blueprint for Hawaii: An Economic Action Plan, specifically under the policy pillar for Business Services. This bill promotes policies that drive economic growth, enhance workforce opportunities, and improve the quality of life for Hawaii's residents.

Hawaii faces a shortage of career and technical education (CTE) teachers, impacting workforce development. This bill creates the Future Career and Technical Education Teacher Scholarship Program, providing financial aid to University of Hawaii students in state-approved teacher education programs. In return, recipients must obtain a teaching license and commit to five years in Hawaii's public schools or repay a portion of the scholarship, with repayment funds reinvested to support future recipients.

To sustain the program, the bill establishes a special fund to manage legislative appropriations and repayments, ensuring ongoing support for aspiring CTE teachers. This initiative strengthens the educator pipeline and prepares students for in-demand careers. The Chamber supports this bill as a critical step in addressing teacher shortages, enhancing workforce development, and securing Hawaii's economic future.

The Chamber of Commerce Hawaii is the state's leading business advocacy organization, dedicated to improving Hawaii's economy and securing Hawaii's future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030 Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of available workforce, diversify the economy, and build greater local wealth.

We respectfully ask to pass Senate Bill 440 SD1. Thank you for the opportunity to testify.