

STAND. COM. REP. NO.

2342

Honolulu, Hawaii

FEB 05 2020

RE: S.B. No. 2261
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Education, to which was referred S.B. No. 2261 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Provide an income tax exclusion for certain public school teachers who earn \$60,000 or less per year; and
- (2) Define eligible teachers as school teachers, special education teachers, school librarians and school counselors employed by the DOE or a charter school.

Your Committee received testimony in support of this measure from the Department of Taxation, State Public Charter School Commission, an individual member of Maui County Council, Hawaii Teacher Standards Board, Democratic Party of Hawaii Education Caucus, Hawaii State Teachers Association, and Kamehameha Schools.

Your Committee received comments on this measure from the Office of the Auditor, Hawaii Government Employees Association, and Tax Foundation of Hawaii.

Your Committee finds that research has shown time and time again that a quality teacher is essential to quality student



learning. Approximately ten percent of the State's teachers switch schools, relocate, or leave the profession each year. Only fifty to sixty percent of current teachers have been at their school for five years or more. Chronic teacher turnover has led to more than 1,000 teacher vacancies throughout the State year after year, forcing the Department of Education to rely on unlicensed teachers such as emergency hires and substitute teachers to provide classroom instruction. This measure is part of the ongoing effort to address the chronic teacher shortage.

Your Committee further finds that that the Office of the Auditor will evaluate the tax exclusion for effectiveness based on any correlating increase in the retention or attracting of highly-qualified teachers. Your Committee directs the Department of Taxation and Department of Education to provide the Office of the Auditor with any information they may need to determine whether or not the tax exclusion is fulfilling its intended purposes.

Your Committee has amended this measure by:

- (1) Amending "taxpayer" to "person";
- (2) Clarifying that the tax exclusion is only for an eligible teacher as that term is defined in the measure; and
- (3) Restricting eligibility for the tax exclusion at a maximum of \$120,000 per household if filing jointly with only one eligible teacher.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2261, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2261, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Education,

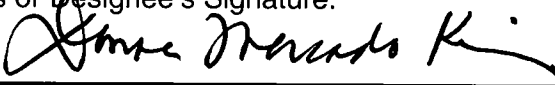


MICHELLE N. KIDANI, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Education
EDU

Bill / Resolution No.:* SB 2261	Committee Referral: EDU, WAM	Date: 01/31/2020		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KIDANI, Michelle N. (C)	/			
KIM, Donna Mercado (VC)	/			
DELA CRUZ, Donovan M.	/			
KANUHA, Dru Mamo				/
FEVELLA, Kurt	/			
TOTAL	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes