



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

Date: 02/26/2024

Time: 12:30 PM

Location: 308 VIA VIDEOCONFERENCE

Committee: House Finance

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Title of Bill: HB 1631, HD1 RELATING TO HOUSING.

Purpose of Bill: Requires the School Facilities Authority to work with the Department of Education to prioritize projects for the construction of educator workforce housing that will house teachers and other staff of the Department. Requires the School Facilities Authority to include in its annual report to the Legislature its planned actions toward increasing educator workforce housing. Requires the Department of Education to collaborate with certain state and county agencies to submit a preliminary report to the Legislature on the status of lands designated to be transferred to the Department of Education. Effective 7/1/3000. (HD1)

Department's Position:

The Hawaii State Department of Education (Department) is providing testimony in support of HB 1631, HD1. The Department looks forward to working with the School Facilities Authority to prioritize projects involving the construction of educator workforce housing.

The Department also looks forward to collaborating with the Department of Land and Natural Resources, Maui County, Kauai County, and other state and county departments and agencies in the submission of a preliminary report to the Legislature on the status of lands designated to be transferred to the Department under Act 307, Session Laws of Hawaii 2022.

Thank you for this opportunity to provide a testimony in support of HB 1631, HD1.



STATE OF HAWAII
SCHOOL FACILITIES AUTHORITY
75 AUPUNI STREET, STE. BASEMENT
HILO, HAWAII 96720

House Committee on Finance

Monday, February 26, 2024
12:30 p.m.
Hawai'i State Capitol, Room 308

House Bill 1631, House Draft 1, Relating to Housing

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

The School Facilities Authority (SFA) **supports** House Bill 1631, House Draft 1, which would, among other things, require the SFA to work with the Department of Education (DOE) to prioritize projects for the construction of educator workforce housing that will house teachers and other staff of the DOE.

Spearheading educator workforce housing solutions is one of three areas of focus for the SFA.¹ Last year, the legislature appropriated funds to the SFA for teacher housing. Recently, the SFA released a request for proposals for a teacher housing project in Mililani and received some promising interest. The proposal would not have been possible without the Mililani High School principal prioritizing this project. Identifying and prioritizing educator workforce housing projects is necessary to make progress on developing affordable housing for educators, which is what HB1631 HD1 seeks to support. The SFA would welcome amendments to further clarify this intent.

Thank you for this opportunity to testify.

Sincerely,

Riki Fujitani
Interim Executive Director

¹ The SFA's 2024-2028 areas of focus and goals are available in this report:
<https://www.hisfa.org/wp-content/uploads/SFA-Areas-of-Focus-and-Goals-Final.pdf>.



Housing Hawai'i's Future
PO Box 3043
Honolulu, HI 96802-3043

February 26, 2024

TO: Chair Yamashita and members of the Hawai'i State House Finance Committee
RE: HB 1631 RELATING TO HOUSING

Dear Chair and Committee Members,

My name is Sterling Higa, and I serve as executive director of Housing Hawai'i's Future, a nonprofit creating opportunities for Hawai'i's next generation by ending the workforce housing shortage.

On behalf of Housing Hawai'i's Future, I write in support of HB 1631 HD1, requiring the school facilities authority to work with the Department of Education to prioritize projects for the construction of educator workforce housing that will house teachers and other staff of the Department.

State lands—especially underutilized school sites—should be used to build teacher and workforce housing.

Collaboration between the School Facilities Authority and the Department of Education is necessary to promote this kind of work.

Please pass this along quickly so we can save time for debate on more divisive issues!

Thank you,

A handwritten signature in black ink that reads "Sterling Higa".

Sterling Higa
Executive Director
Housing Hawai'i's Future
sterling@hawaiisfuture.org
+1 (808) 782-7868



1200 Ala Kapuna Street • Honolulu, Hawaii 96819
Tel: (808) 833-2711 • Fax: (808) 839-7106 • Web: www.hsta.org

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: **HB1631 HD1 - Relating to housing**
Position: **Support**
Hearing: **February 26, 2024, 12:30 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** HB1631 HD1 which requires the School Facilities Authority to work with the Department of Education to prioritize projects for the construction of educator workforce housing that will house teachers and other staff of the Department, requires the School Facilities Authority to include in its annual report to the Legislature its planned actions toward increasing educator workforce housing, and requires the Department of Education to collaborate with certain state and county agencies to submit a preliminary report to the Legislature on the status of lands designated to be transferred to the Department of Education.

Hawai'i continues to suffer from a severe shortage of licensed teachers (in addition to a number of other school personnel). Financial incentives and affordable options for teacher housing can be an important strategy for the recruitment and retention of teachers which then has a direct benefit to the students they serve. Prioritizing projects for educator workforce housing will ultimately help Hawai'i students who will be able to depend on an increasingly stable set of educators in their schools and their communities. The more we can address retention of our teachers, the less we will have to struggle with retention.

Progress from the School Facilities Authority has been agonizingly slow. Ensuring that they have documented short and longer term plans will help with accountability and progress monitoring, especially with the expectation that larger projects are on the horizon for our schools.

The Hawai'i State Teachers Association asks your committee to **support** this bill.



Testimony in Support of HB 1631, HD1, Relating to Housing

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

We write in strong support of HB 1631. This bill will accelerate the progress that has already been made – thanks to past efforts by the legislature – to build educator workforce housing for the great people who work at our public schools.

aio is a locally owned company with holdings across a broad range of industries. Our companies are purpose-driven and firmly rooted in local values. At aio, Hawaii is at our core, and through our products and services, we work hard to make Hawaii a better place for future generations.

Our employees are our greatest asset, and we want to ensure that they have access to a great public school system. For that to happen, we need to do a better job of recruiting and retaining educators to work in our schools.

Hawaii continues to suffer from a shortage of licensed teachers with over 1,000 vacancies each year. To recruit and retain effective educators, we must lessen the financial burden of being a public school educator. A focus on teacher retention by building housing, including on underutilized DOE property - especially for those serving in hard-to-fill areas - would help reduce the high turnover rate of teachers in Hawaii.

Mahalo for the opportunity to submit testimony in support,

A handwritten signature in dark blue ink that reads "Brandon Kurisu".

Brandon Kurisu
aio Family of Companies





February 26th, 2024

RE: HB 1631, HD1, Relating to DOE Housing – In Support

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

We write in strong support of HB 1631. This bill will accelerate the progress that has already been made – thanks to past efforts by the legislature – to build educator workforce housing for the great people who work at our public schools.

Founded and based in Hawaii, Hawaiian Host is nearly 100 years old. With local roots and a global reach, Hawaiian Host is the largest manufacturer of chocolate-covered macadamias in the world, as millions of boxes of our treats are shared all over the globe. And as a longtime local employer, we recognize the need to have a strong public school system for our employees and their families. But recruitment and retention of educators in our public schools has consistently proven to be difficult – a challenge with far-reaching consequences for Hawaii.

Hawaii continues to suffer from a shortage of licensed teachers with over 1000 vacancies each year. It's a good idea for the state to invest money in providing affordable options for teacher housing, including on underutilized DOE property, as one strategy for recruiting and retaining teachers.

This bill is a good opportunity to help recruit and retain quality educators and we are happy to support it.

Aloha,

A handwritten signature in black ink, appearing to read "Ed Schultz".

Ed Schultz
President & CEO
Hawaiian Host Group



**HAWAI'I COMMUNITY
FOUNDATION**

Testimony in Support of HB1631, HD1 Relating to Housing

From: Micah Kāne, Chief Executive Officer & President - Hawai'i Community Foundation

Re: Support for Housing for Educators

The Hawai'i Community Foundation (HCF) strongly supports House Bill 1631. HB1631 will accelerate progress already made to build educator workforce housing for those working in our public school system. This builds on efforts that the Legislature has helped lead in this area and where we are seeing strong community support.

This is a key area within HCF's CHANGE Framework under the "E" sector of Education. We will continue to support ideas and efforts that can bring systemic change to Hawaii for the betterment of our future. And while many of our efforts are around the educational system, we also recognize that the ability to recruit and maintain teachers and other educational staff is essential to the effort to provide an improved public education system for our keiki and 'ohana. Additionally, through the CHANGE Framework "C" sector (Community and Economy), we have taken a strong look at data around housing and its cost burden impact on our community. We know that teachers allocate a significant portion of their paycheck to their housing needs.

HB1631 brings together these two very important sectors of our work for all of Hawai'i. The ability to reduce the cost burden of housing for this specific sector is foundational to our collective goal to provide a successful educational system that will help our future workforce avail themselves to higher paying jobs and opportunities that will allow them to choose to stay in Hawai'i for their future. We recognize that there are many pieces to this puzzle, but it is undeniable that housing cost and opportunity is key to our efforts in area.

Thank you for this opportunity to testify in support of HB1631.



February 26, 2024

Committee: House Committee on Finance
Bill Number: HB 1631, HD1, Relating to Housing
Hearing Date and Time: February 26, 2024, 12:30pm
Re: Testimony of HPM Building Supply in Support

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

We write in strong support of HB 1631. This bill will accelerate the progress that has already been made, thanks to past efforts by the legislature, to build educator workforce housing for the great people who work at our public schools.

HPM Building Supply is a 100% employee-owned company serving Hawaii's home improvement market and building industry for over 100 years since 1921. With 18 locations across Hawaii and Washington State, HPM offers various services and products, including retail stores, building supply and lumber yards, home design centers, drafting and design services, and manufacturing facilities. HPM is dedicated to enhancing homes, improving lives, and transforming communities one home at a time.

As a State-wide employer with over 600 employees, we understand that many of our employees depend on their keiki receiving a quality public education. And many of our employees own careers were based on the quality education they received in our local public schools.

Hawaii continues to suffer from a shortage of licensed teachers with over 1,000 vacancies each year. We believe it is a good idea for the state to invest money in providing affordable options for teacher housing, including on underutilized DOE property, as one strategy for recruiting and retaining teachers.

This bill also aligns with HPM's values of Heart, Character, and Growth. By supporting the recruitment and retention of local educators for our public schools, we invest in our future. We show that we care about the future generations and our current workforce shaping it. Our company's value of Heart is caring for one another as a community.

Mahalo for the opportunity to submit testimony in support of HB 1631. I strongly encourage your support and passage of this measure.

Sincerely,

Dennis Lin
Community Relations Administrator



Statement of
Meli James
Cofounder
Mana Up

HB 1631, HD1, Relating to Housing

Aloha,

We write in strong support of HB 1631. This bill will accelerate the progress that has already been made –thanks to past efforts by the legislature – to build educator workforce housing for the great people who work at our public schools.

Mana Up is a statewide initiative that supports entrepreneurs in Hawai'i, providing them with resources and tools to scale globally. As these entrepreneurs continue to grow, they also help to sustain the local economy through economic diversification, local job creation, givebacks, investment, and a regenerative culture of entrepreneurship – providing a better future for generations to come here in Hawai'i. In fact, many of these entrepreneurs we work with who are helping contribute to growing our local economy have families, including children who are in our public school system. And we know how important it is to recruit and retain a strong educator workforce for our local school system.

Housing constitutes a big portion of each teacher's paycheck. A focus on teacher retention by building housing, including on underutilized DOE property - especially for those serving in hard-to-fill areas - would help reduce the high turnover rate of teachers in Hawaii.

This bill is a good opportunity to help recruit and retain quality educators and Mana Up is happy to support it.

Sincerely,



Meli James
Cofounder, Mana Up

Michael Mohr
493 Portlock Road
Honolulu, Hawaii 96825

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

I write in strong support of HB 1631. This bill will accelerate the progress that has already been made – thanks to past efforts by the legislature – to build educator workforce housing for the great people who work at our public schools.

As a resident who spends considerable time thinking about how to improve Hawaii for everyone in broad and durable ways, an investment in teacher housing to attract and retain more high-quality teachers will pay dividends for people and the economy that will compound over time.

To recruit and retain effective educators, we must lessen the financial burden of being a public school educator. The experience of the University of Hawaii has shown that providing housing to the education workforce can be an effective initial bridge in recruiting and retaining essential employees.

This bill is a good opportunity to help recruit and retain quality educators and I am happy to support it.

Sincerely,

Mike Mohr



TITLE GUARANTY
HAWAII

February 26, 2024

Testimony in support of HB 1631, HD1, Relating to Housing

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

We write in strong support of HB 1631. This bill will accelerate the progress that has already been made –thanks to past efforts by the legislature – to build educator workforce housing for the great people who work at our public schools.

Title Guaranty of Hawai'i is the oldest and largest title company in the state. We have been owned and operated by a kama'aina family since 1896 and we are proud to employ over 250 residents who work in our branches across the state. Being a longtime employer of so many people in Hawai'i, we know how important it is that our employees' families have access to a quality public education. But we also know how difficult it is to recruit and retain great people to be educators in our public school system.

Hawaii continues to suffer from a shortage of licensed teachers with over 1000 vacancies each year. It's a good idea for the state to invest money in providing affordable options for teacher housing, including on underutilized DOE property, as one strategy for recruiting and retaining teachers.

This bill is a good opportunity to help recruit and retain quality educators and we are happy to support it.

Sincerely,

Mike B. Pietsch
President and Chief Operating Officer
Title Guaranty of Hawai'i



Title and Escrow is our business. Hawaii is our home.





HOUSE BILL 1631, HD1, RELATING TO HOUSING

FEBRUARY 26, 2024 · FIN HEARING

POSITION: Support.

RATIONALE: The Democratic Party of Hawai'i Education Caucus **supports** HB 1631, HD1, relating to housing, which requires the School Facilities Authority to work with the Department of Education to prioritize projects for the construction of educator workforce housing that will house teachers and other staff of the Department; requires the School Facilities Authority to include in its annual report to the Governor, Board of Education, and Legislature the actions the Authority will take within the next year, three years, and five years toward increasing educator workforce housing; and requires the Department of Education to collaborate with the Department of Land and Natural Resources, Maui County, Kauai County, and other appropriate state departments and agencies to submit a preliminary report to the legislature on the status of lands designated to be transferred to the Department of Education pursuant to Act 307, Session Laws of Hawai'i 2022.

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. **Increasing the supply of affordable housing for teachers and other members of the education workforce would help offset the low wages experienced by Hawai'i's education professionals.**

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.

The situation is even worse for school support staff. **According to the DOE's January 13th presentation, the number of qualified hires in classified school support staff positions fell from 86 percent in 2019 to just 80 percent in 2023, with 1,538 support staff positions remaining vacant.** These positions include educational assistants, account clerks, office assistants, school food services managers, school safety and security officers, and security attendants, all of which are essential in the functioning of our school system.

We note that Hawai'i residents face the second-highest housing costs in the nation, at more than twice the national average. Researchers who authored the National Low Income Housing Coalition's *Out of Reach 2023* report found that a full-time worker would need to earn \$41.83/hour to afford a two-bedroom apartment at fair market value in our state, with Honolulu experiencing a

67 percent increase in fair market rent between 2005 and 2015. Average rent for a two-bedroom unit surpassed \$2,000 in recent years.

One out of every four households in Hawai'i report that they are "doubling up" or are three paychecks or less away from being homeless, per the Hawai'i Appleseed Center for Law and Economic Justice. Additionally, over 60 percent of households are severely cost-burdened, meaning that they pay more than 30 percent of their income on housing, a number that rises to over 80 percent of extremely low-income households. Notably, housing costs increased during the pandemic. In Honolulu, median single-family home prices reached a record of \$1.15 million in April of 2022, driven largely by sales to residential property investors. Unsurprisingly, our state is experiencing population decline. Hawai'i saw domestic out-migration increase for a seventh consecutive year in 2023, as our high cost of living continued to push people to the mainland.

To deliver the schools our keiki deserve, we must recruit and retain qualified educators. Our children's future depends on our ability to meet that challenge.

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



holomua

COLLABORATIVE

OUR MISSION

To support and advance public policies that make Hawai'i affordable for all working families.

OUR VISION

Collaborative, sustainable, and evidence-based public policies that create a diverse and sustainable Hawai'i economy, an abundance of quality job opportunities, and a future where all working families living in Hawai'i can thrive.

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Meli James, *Board Chair*
Micah Kāne
Brandon Kurisu
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Josh Feldman
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Josh Wisch
President & Executive Director

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HolomuaCollaborative.org

Page 1 of 2

Committee: House Committee on Finance
Bill Number: HB 1631, HD1, Relating to Housing
Hearing Date and Time: February 26, 2024 at 12:30pm (Room 308)
Re: Testimony of Holomua Collaborative in support

Aloha Chair Yamashita, Vice Chair Kitagawa, and Committee Members:

We write in support of HB 1631, Relating to Housing. The purpose of HB 1631 is to require the school facilities authority (“SFA”) to work with the Department of Education (“DOE”) to prioritize projects for the construction of educator workforce housing that will house teachers and other DOE staff. HB 1631 also requires SFA to include in its annual report to the legislature the actions SFA will take within the next year, three years, and five years toward increasing educator workforce housing. The bill requires DOE to collaborate with certain state and county agencies to submit a preliminary report to the Legislature on the status of lands designated to be transferred to the DOE.

Put simply, HB 1631, HD1 will take the progress that has already been made to build housing for the educator workforce and move it forward by providing additional clarity regarding how SFA and DOE can continue to work together to prioritize projects, provide more up-to-date information on the status of lands that can be used for educator workforce housing, and continue the great work the legislature did on this issue last session.

In 2023, the 32nd legislature of Hawai'i passed SB 941, which amended section 301A-1703(c) of the Hawai'i Revised Statutes (HRS) to:

Provide the school facilities authority with powers necessary to develop housing projects on school lands; and appropriate funds, out of the school facilities special fund for the construction of housing prioritized for teachers, educators, and staff and classrooms.

SB941 added the following to support SFA in carrying out its mandate:

- (15) Partner with public and private development agencies to develop
 - (A) Housing on or off campus; and
 - (B) Classrooms;
- (16) Request any state or county agency to render services to the authority;
- (17) Transfer the property to another public agency or contract to manage the leasing and property management of housing projects [.]

Establishing SFA and providing it with the additional powers granted to it during the last legislative session have been important steps in the right direction and are the types of actions that have broad statewide support. Holomua Collaborative recently conducted a statewide survey on multiple policy issues being considered by the legislature this year, including this proposal. According to the initial poll results from this statewide survey, conducted locally by Anthology:

- 86% of respondents somewhat or strongly agree that it's a good idea for the state to invest money in providing affordable options for teacher housing, including on underutilized DOE property, as one strategy for recruiting and retaining teachers, since Hawaii continues to suffer from a shortage of licensed teachers with over 1000 vacancies each year.
- 85% of respondents somewhat or strongly agree that, to recruit and retain effective educators, we must lessen the financial burden on being a public school educator.
- 84% of respondents somewhat or strongly agree that, as housing constitutes a big portion of each teacher's paycheck, a focus on teacher retention by building housing, including on underutilized DOE property – especially for those serving in hard-to-fill areas – would help reduce the high turnover rate of teachers in Hawaii.

These poll results quantify the fact that the overwhelming majority of local residents support investing in housing for educators as a recruitment and retention tool.

And this is something we know works, as the experience of the University of Hawai'i has shown that providing housing to the education workforce can be an effective initial bridge in recruiting and retaining essential employees.

Building on the work done by the legislature last year by clarifying: (1) that SFA and DOE will work together on prioritizing educator housing projects; (2) the specific actions that SFA will commit to in furthering its mission over the next 1, 3, and 5 years in its report to the legislature; and (3) the status of lands that have been designated to be transferred to the DOE, will help ensure that the state is efficiently and effectively producing housing that educators can afford.

Sincerely,



Josh Wisch
President & Executive Director

HB-1631-HD-1

Submitted on: 2/25/2024 6:33:53 AM

Testimony for FIN on 2/26/2024 12:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

SUPPORT

To: Committee on Finance
Rep. Kyle T. Yamashita, Chair
Rep. Lisa Kitagawa, Vice Chair
Date: Monday February 26, 2024
Time: 12:30 p.m.
Place: VIA VIDEOCONFERENCE
Conference Room 308
State Capitol
415 South Beretania Street
Bill: [HB 1631 HD 1](#) Relating to Housing
Position: **IN SUPPORT**

Dear Chair Yamashita, Vice- chair Kitagawaw and respected committee members,

Thank you for hearing HB 1631 HD1. Thank you for the opportunity to submit testimony in **STRONG SUPPORT OF HB 1631 HD 1.**

Affordable housing is an issue that impacts our state as a whole. Teacher shortages are also negatively impacting our state as a whole. It makes practical sense to pair these two issues together.

While we could prioritize housing for many populations, prioritizing affordable teacher housing has many extended benefits. A good teacher can shape the life of a child for years to come. By providing access to affordable housing for our teachers, we are not only helping teachers, we are helping the students and communities they serve.

Both my sister and my sister in law are tenured teachers with master's degrees. However, they cannot afford to buy a house in their community. Like many Hawaii people do, they live in a multi-generational home. This is the only way they are able to remain teachers in Hawaii.

Teaching is work of heart and commitment, but it is also one that comes with economic sacrifices. HB 1631 HD1 has the potential to help recruit and retain quality teachers by making the economic sacrifice of being a teacher less impacting. It also helps to ensure that our children will have the educators they need to grow to be the leaders of tomorrow.

Please vote **IN FAVOR OF HB 1631 HD1.** Thank you sincerely for your time and service.

Respectfully submitted,
Malia Tsuchiya