

April 14, 2010

Conference Committee Members of SB 2124, SD2, HD1

Senator Norman Sakamoto, Chair
Senator Roz Baker, Co-Chair
Senator Donna Kim, Co-Chair
Senator Russell Kokubun
Senator Shan Tsutsui

Representative Roy Takumi, Co-Chair
Representative Karl Rhoads, Co-Chair
Representative Robert Herkes, Co-Chair
Representative Marcus Oshiro, Co-Chair
Representative Mark Nakashima
Representative Lynn Finnegan

Dear Conferees:

As you meet to discuss SB 2124, SD2, HD1, we would like to bring to your attention several matters related to this measure to restore instructional days and provide a normal school year for Hawaii's public school students.

There is a cost difference of approximately \$1 million per day between the HSTA-BOE agreement (\$6.1 million per day) and the Governor's figure (\$5.1 million per day). Contrary to the attention given to the cost of so-called "essential" workers, the biggest single cost item is over \$450,000 per day for operational costs, such as electricity, water, sewer, gas, and student transportation, which are not included in the governor's estimate. Enclosed is a breakdown of the costs to restore furlough days prepared by the Department of Education (DOE).

This omission raises a host of questions: Why call students and teachers back, if the DOE can't turn the lights on, if there is no power to operate computers for students, if teachers and office personnel cannot operate, and if DOE transportation will be unavailable? Can anyone seriously claim that schools can function unless funds are provided for basic operational costs? And if these costs are to be "absorbed" by the DOE, where will the funds come from, given the governor's actions to restrict funds appropriated to the DOE?

The second tier of costs, at \$374,000 per day, is HGEA workers who were left out of the governor's calculation. Finally, there is \$191,000 per day for the HSTA workers for whom the governor did not budget. If the operating costs are funded, that leaves a difference of \$565,000 between the HSTA-BOE agreement and the governor. Surely, in the overall budget picture, this amount should not be a reason for not funding the HSTA-BOE agreement.

We are also perplexed by the statements from the governor opining that the state cannot afford to pay for the full restoration of instructional days, including utilities and other operating costs, as well as the DOE personnel who are necessary to operate the school system everyday. To say the State cannot afford to properly end furloughs implies that the funds going to the DOE for this purpose will result in other needs going unmet. These statements imply that the furlough restoration money will come from the general fund and that providing these funds to the DOE will deplete some other funding source essential for state operations. Clearly, this is not the case, as even the governor has admitted.

In SB 2124, SD 2 HD1, the legislature has wisely provided a vehicle to utilize the Hawaii Hurricane Relief Fund (HHRF) as the funding source to restore the furlough days for students. As the conferees know, this fund was created for the State to provide hurricane insurance after Hurricane Iniki, when it appeared that private insurers would no longer write hurricane insurance policies. When it became clear that insurers would continue writing such policies, the legislature determined that the HHRF no longer needed to be funded and terminated funding in 2001.

Since then, approximately \$180 million has been sitting in the HHRF, serving no useful purpose. By using HHRF monies to restore the full complement of instructional days to Hawaii students, the HHRF will finally be put to work, delivering a significant benefit to the children of Hawaii. Also, by using the HHRF as the funding source, appropriating funds to restore instructional days will not compete with the other needs and obligations the legislature seeks to fulfill.

The HSTA and its members appreciate the effort and hard work the legislature has put into returning students to the classroom for a full academic year. HSTA has testified on this and other measures, and our representatives have met one-on-one with most of you, understanding that we have common goals for Hawaii's public school students.

The HSTA does not believe anyone wants to take the option to leave the status quo in place, meaning students would be out of school four more days this year and seventeen days next year. After months of discussions, the HSTA and Board of Education (BOE) agreed on a fiscally sound approach to restoring student days. We urge you to approve SB 2124 to fund the HSTA-BOE agreement.

I want to thank the conferees for considering our point of view as you move forward in your deliberations.

Sincerely,



Wil Okabe
President

Attachment

cc: Senate President Colleen Hanabusa
House Speaker Calvin Say