



Capitol Connection with Gov. David Ige is a regular e-newsletter that provides you with updates from the fifth floor of the State Capitol. As the governor's office works to become paperless, the newsletter will be available on-line and via subscription. Check out the governor's website at [governor.hawaii.gov](http://governor.hawaii.gov) to subscribe to this newsletter. Also, follow the governor on Twitter and Instagram @govhawaii and check [www.facebook.com/GovernorDavidIge](https://www.facebook.com/GovernorDavidIge) for daily activities.

## 'Education is at the heart of our future,' says governor

**School empowerment and innovation aren't just buzzwords.** They're part of Gov. David Ige's long-held belief that our school system needs to direct more resources to those closest to the students. That's why education is his priority in the state's 2017-2019 biennium budget. "Improving education pays dividends for everyone in Hawai'i," says the governor. "The students' success can have ripple effects for generations to come." So how do empowerment and innovation translate in the real world for students, teachers, schools and communities? This issue provides some answers – and insight on the governor's long-standing commitment to education reform.

### Q. Why is education such a priority for you?

A. My parents always said education was the ticket to success. My father went through 8<sup>th</sup> grade on Ewa Plantation, and that was it. My mom grew up on Kahuku Plantation and wanted to become a nurse so she left home at age 15 to train on the mainland. Their work ethic and sacrifice made it possible for my brothers and me to earn our college degrees. That belief in the value of education is why I've worked so hard over the past 25 years to help strengthen our public school system. Our **amended biennium budget** provides **increases** in targeted areas and more funds that principals can control. It also includes more funding to improve school facilities and cool more classrooms.

### Q. Why are "empowerment" and "innovation" so important for the public schools?

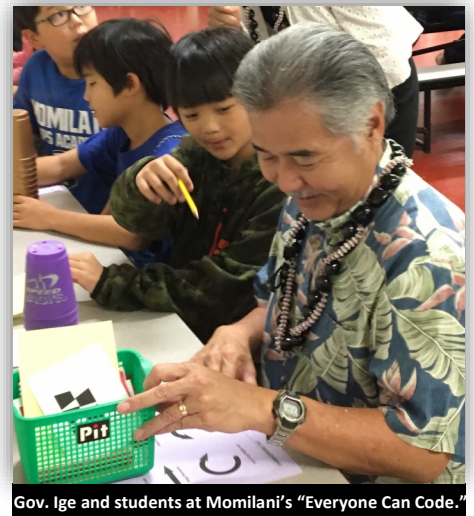
A. Initiative, empowerment and innovative thinking are the qualities our students need to succeed in the 21<sup>st</sup> century. The world is changing so fast, we need more than a one-size-fits-all model. We're focused on getting more funds directly to the schools through the **Weighted Student Formula** and a new **Innovation Grant** program as well as successful initiatives such as **Early College** and **Hawai'i's Promise** to help students with college funding. We can't rely on a top-down approach where a state office is telling the schools what they can or can't do. It also has to come from the principals, teachers, students and the community finding ways to get students excited about the basics of reading, writing and math while they're learning coding, digital media, science and the arts.

### Q. How can we help schools share and support innovative ideas?

A. Our proposed **Innovation Grant** encourages schools to develop new ideas that couldn't be carved out of their base budgets but could help students statewide. Some examples of folks who took it upon themselves to find their own funding outside the DOE system are teachers like Candy Suiso who started Waianae High School's Searider Productions or principals like Keith Hayashi who launched **Early College** at Waipahu High School. They had to find grants from community partners to develop it on their own.

### Q. What do you think of the teachers union proposal to use a percentage of the property tax for education?

A. I'm intrigued by their proposal. We're the only state where we get zero dollars for education from property taxes. We know we can't meet all of the DOE'S construction needs and operating costs. I'm open to finding ways to fund fair wages for our teachers.



Gov. Ige and students at Momilani's "Everyone Can Code."

# Two Hawai'i teachers honored with Milken awards

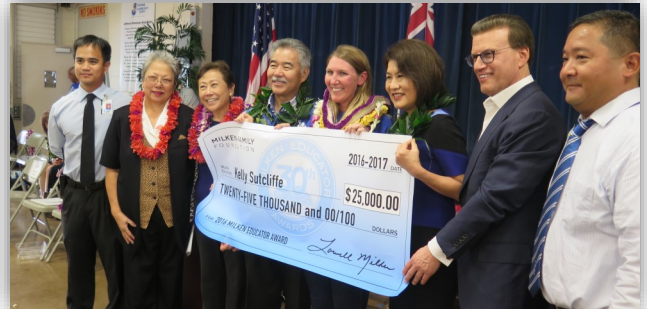
The national Milken Educator Awards have been called “the Oscars of education” and come with a \$25,000 cash prize. But this year’s winners say the real reward happens every day in their classrooms.

This year’s winners, who were surprised at school ceremonies last month, impressed the Milken Family Foundation with their innovative lessons in science, technology, engineering and math (STEM).

Masaru Uchino, a third-grade teacher at Momilani Elementary School in Pearl City and Kelly Sutcliffe, a fourth-grade teacher at Jefferson Elementary in Waikiki were praised for making learning fun with hands-on science experiments to understand real-world issues such as climate change and sustainability.

Both philanthropist Lowell Milken and the governor praised the teachers for their ability to inspire students. “These students are on a path to become the innovators and visionaries of the future,” said Milken.

As for the teachers, they credited their students for keeping them motivated. Said Sutcliffe, “I can remember the teachers who had an impact on me. I’m just hoping I can have that kind of impact on my students.” Uchino shared what he tells his students: “The world is constantly changing. The more educated you are, the bigger your world becomes.”

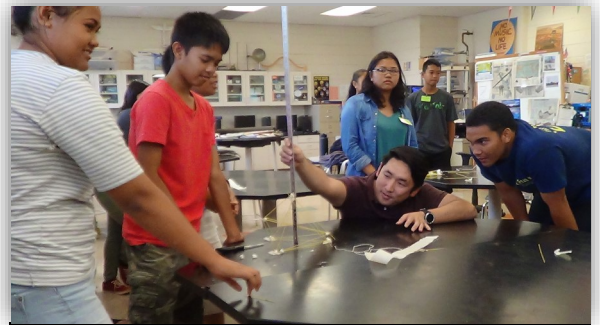


MILKEN WINNERS: (top) Kelly Sutcliffe stands with Gov. Ige and the first lady, superintendent Kathy Matayoshi, Lowell Milken and others from Jefferson School. Masaru Uchino surrounded by his third graders at Momilani Elementary.

# Early College provides head start on college degrees

Early College is an innovation that works. That seems to be the takeaway, based on success stories, data points and, most of all, the heartfelt words of the students in the program and their proud parents. They call the program “life-changing” because it offers students a way to save money on college courses and build confidence while they’re still in high school.

The track record for Hawai'i’s Early College is impressive — especially for economically disadvantaged students. In the program, high school students can earn tuition-free credits toward college degrees in classes offered on their campuses. According to the Hawai'i P-20 office, some 34 high schools and charter schools statewide offer Early College classes.



Dr. John Hirano, (center) a Ph.D. in engineering, works with incoming Waipahu High freshmen in the first Early College STEM summer camp.

The numbers from the Class of 2015 show Early College can narrow the college gap for economically challenged graduates. In this and other “dual credit” programs, the numbers show that taking college courses while still in high school means more students are going on to college at much higher rates — 81 percent compared to 53 percent.



Rovy Dipaysa (left) with her mom and governor.

But the real story is the students whose lives have been changed because they’ve proved to themselves and their families that they can succeed in college and have an impact on their own and the state’s future.

“I used to be scared to speak,” said Rovy Dipaysa, a junior at Waipahu High School and an immigrant who came to Hawai'i in 2012. “After taking my first Early College class, it boosted my GPA and gave me confidence I can do this.” Rovy and 13 of her classmates — the first Early College “Olympians” — anticipate receiving their Associate in Arts degree from Leeward Community College in May 2018 before they graduate from high school. Rovy said she plans to go straight to UH West O’ahu to major in hospital administration.

Raising the college-going rate for high school graduates is a priority for the governor to set young people on a path to higher-wage jobs. In his amended budget, he’s recommending \$6 million for Early College. “That kind of success is why I want to expand Early College to eventually include every public high school in the state,” Gov. Ige said in his State of the State address.

# Empowerment and innovation: The future starts here

**E**mpowerment and innovation go hand in hand. Just ask Waipahu High School's student Early College "Olympians" who are on their way to college degrees. Or the Milken award-winning teachers who empower their students through creative, innovative projects. Or the budding entrepreneurs at UH and in the Department of Business and Economic Development and Tourism business accelerators.

All are part of a brave, new world that can help Hawai'i build an "innovation economy." With his budget initiatives, Governor Ige wants to propel our progress forward, through a pipeline that connects education and training with the jobs of the future. His commitment to education reform dates back to 1994 when, as a young legislator, the governor helped develop the Weighted Student Formula, a way to distribute funds to schools based on student needs and give principals more control over school funding.

"In the empowerment model, the initiative comes from the school and the community," said the governor. "We need to find ways to create a school culture of innovation and fresh thinking to inspire students. It's schools like Momilani Elementary wanting their students to learn coding, then finding the resources to put together a program. It comes from them. They're motivated, and that's when it becomes powerful. It also increases the chances that it's sustainable because it didn't come from the top down. Schools need to be able to design their own programs and be accountable for the results."

Now, with the new **Blueprint for Public Education** based on input from more than 3,000 school and community members statewide, the governor wants to make more progress through targeted funding in several areas. As he has outlined:

- **Weighted Student Formula** – "I'm proposing adding \$10 million each year to this fund, which provides flexibility for principals in funding priorities for their schools."
- **New Innovation Grant program** – "I'm also recommending \$10 million in each of the next two years to support school-level innovations, including closing the achievement gap for special needs, immigrants and low-income students. The grants are intended to encourage schools to fund initiatives they couldn't carve out of their regular budgets."
- **The Hawai'i Promise Program** – "This proposal establishes 'last dollar' funding that would cover the costs for tuition, fees, books and supplies for students with financial need at a UH community college. The support would cover any unmet need (other than living expenses) after all federal and state financial aid and scholarships are applied."
- **Expanded Early College** – "I'm supporting \$6 million in state funding for this successful program to make this opportunity available to as many public school students as possible statewide."
- **Hawai'i Strategic Development Corporation's HI Growth Initiative** – "I'm proposing \$5 million to be added to the HSDC revolving fund to encourage innovation and entrepreneurship."



Photo by Marc Schechter  
**Windward Community College graduates celebrate!**



Photo by Ryan Ozawa  
**Smart Yields CEO Vincent Kimura shows an app to Kawamata Farms' David Oshiro and Rafael Esposito de Lima.**

## Kama'aina bring tech talents back home

**F**or some of us, "high tech" sounds like something nerdy people do while the rest of us just try to survive with the same old, whatever we've always done routine. Except that's not the age we're living in or the world where the next generation of students will find careers.

From digital technology and creative media to clean energy and business start-ups, Gov. David Ige understands this global future and wants to help schools, state government and the community be a part of it. **The result will be an innovation economy that provides a better life for Hawai'i's people.** And if you think this is all pie-in-the-sky futuristics, think again. Hawai'i is already creating an innovation ecosystem that is bringing kama'aina back to the islands.

One company already helping local farmers is Smart Yields, whose mobile and web applications monitor real-time farm conditions and help farmers increase production and conserve resources. Smart Yields got its start through Blue Startups in 2015, one of the Hawai'i Strategic Development Corporation's HI Growth business accelerators. The company aims to help small to medium-sized agricultural operations, which make up 85 percent of farms in the U.S. and 99 percent globally.

CEO and founder Vincent Kimura, who was born and raised in Hawai'i, said, "Here at home, as Hawai'i bolsters its local food production, technology will play a critical part in helping our state achieve a more sustainable future." The company is also working with schools in project-based STEM education. "School farms are excellent, hands-on learning laboratories that inspire kids to explore the environment and think about sustainability," said Smart Yields' co-founder and head of education Lizzy Schiller.

# It's that time again: Help the tax department help you

When you have to process paperwork from more than 700,000 income tax filers, even the smallest details matter. So what can people do to expedite their returns?

The advice from Damien Elefante, deputy director of the state tax department, is simple but important to avoid delays:

- File electronically to expedite processing
- Double-check important numbers such as Social Security and bank accounts to make sure they're listed correctly
- For paper filers - type information when possible because scanners (and staff) may not be able to decipher handwriting. Also, make sure that the tax return is signed by the appropriate individual(s), that appropriate schedules and W2(s) are attached, and if payment is required, make sure the check is written to "Hawaii State Tax Collector."



State tax department staffers handle thousands of income tax returns each year.

The state is currently in the third of five phases of its **Tax System Modernization (TSM)** to improve operations and taxpayer services. New online features will be rolled out each year until all tax types are upgraded by 2020. The department also has new tools to help protect against fraud and identify when businesses and individuals aren't paying taxes.

The modernization project is a massive undertaking, and like any transition, taxpayers are adjusting to the changes. But for business taxes, **early feedback from several tax practitioners has been positive**, said Elefante. "Tax professionals say they like the new system. Account information from past years is available to them and there's no fee. Tax practitioners have access to all their clients, and processing times have gotten a lot faster." The department has also added a staff specialist to help registered tax practitioners with account issues.

A recurring issue concerns the **state collecting taxes from sales by online vendors**. After a victory by the Attorney General's Office in 2015, Hawai'i courts ordered online travel companies such as Expedia and Travelocity to pay \$53.1 million in back taxes to the state. As for online companies such as Amazon, some states have reached voluntary agreements for Amazon to collect taxes for those states. Bills being considered by Hawai'i's Legislature this session are patterned after those passed by states such as Colorado and Alabama. Although individual online buyers are technically required to report their online purchases and pay taxes on them, very few people actually do.

"The policy is in flux because of all these factors on the federal and state level," said Elefante. "The department is evaluating all options to determine how to proceed. Online retailing has skyrocketed over the last several years, and all states have struggled to keep up with the collection of taxes from retailers that usually aren't located in the state. Since Hawai'i is such a small state, it doesn't make sense for us to engage in protracted litigation to collect taxes owed. Instead, the department is looking for the most efficient method to collect our share of taxes without overburdening our residents."

## Preschool Open Doors available

Need help paying for preschool or do you know someone who does? The state Department of Human Services is encouraging families to apply by **March 31** for its Preschool Open Doors (POD) program. This application period is for program participation July 1, 2017 - June 30, 2018.

POD provides monthly preschool tuition subsidies to qualified families, and parents may choose any DHS-licensed preschool. The program currently serves more than 1,500 children from low- and moderate-income families. Download an application at [patchhawaii.org](http://patchhawaii.org) and submit to PATCH-POD, 560 N. Nimitz Hwy. Suite 218, Honolulu, HI 96817 or fax to (808) 694-3066.

To qualify for the program, children must be eligible to enter kindergarten in the 2018-2019 school year. For more information, call (808) 791-2130 or toll free at 1-800-746-5620.



FACES OF THE FUTURE: Lunalilo Elementary 3rd graders on a State Capitol tour.

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