



# UNIVERSITY OF HAWAII SYSTEM

## ‘ŌNAEHANA KULANUI O HAWAII

### Legislative Testimony

### Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the  
House Committee on Education  
Thursday, February 1, 2024, at 2:00 p.m.

By

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#### HB 2240 – RELATING TO HAWAII EDUCATOR LOANS

Chair Woodson, Vice Chair La Chica, and Members of the Committee:

Thank you for allowing us the opportunity to testify in support of HB 2240, with suggested amendments. This bill increases the amount of funds available to issue loans under the Hawai'i educator loan program. As stated in the bill, the program carries the potential to serve as a valuable tool in helping to address statewide K-12 teacher shortages in Hawai'i's public schools, focusing on rural schools and other hard-to-fill positions.

At the same time, we ask the Legislature to reconsider the seven-year service requirement for total loan forgiveness. The length of this requirement has apparently served as a deterrent to increased program participation. We ask you to consider the possibility of reducing the service requirement to a maximum of five years for students who enter in the Hawai'i educator loan program during their first year of college.

Below are suggested revisions to §304A-701(b) and (e) for your consideration:

(b) All loans made under this subpart shall bear interest at five per cent simple interest. Repayment of principal and interest charges shall commence one year after graduation or three months after a loan recipient ceases to be enrolled in a state-approved teacher education program and shall be paid in periodic installments within a [~~seven-year~~] five-year period. The university may charge late fees and all other reasonable costs for the collection of delinquent loans.

and

(e) Upon a showing of proof that the loan recipient has completed a state-approved teacher education program and for each year that the loan award recipient teaches in the Hawaii public school system pursuant to subsection (a)(1) or (2), loan forgiveness shall be provided to the recipient as follows:

- (1) ~~[Ten]~~ Twenty per cent of the total amount of the loan award and interest shall be waived every year for the ~~[first]~~ five years of repayment~~[-and~~
- (2) ~~Twenty-five per cent of the total amount of the loan award and interest shall be waived every year for the sixth and seventh years of repayment].~~

Thank you for your consideration of these requested amendments.