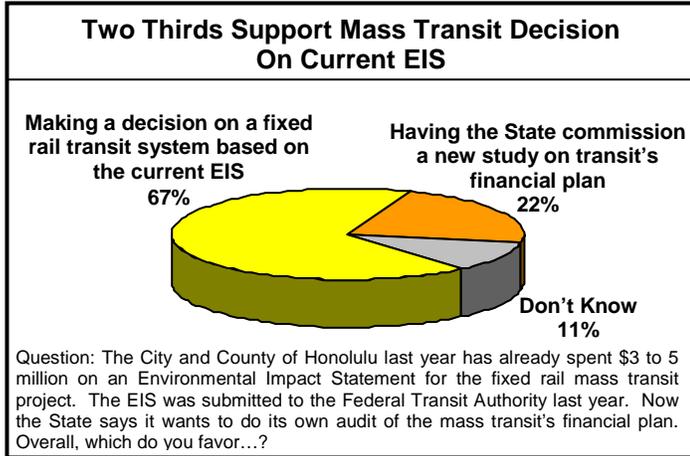


Winter 2010

Sponsored by the Hawaii Business Roundtable and Pacific Resource Partnership.
Research Conducted by OmniTrak Group Inc.

2 IN 3 RESIDENTS OPPOSE CONDUCTING ANOTHER TRANSIT STUDY



Last month, the State government informed the Federal Transit Authority that it would conduct its own study of the proposed mass transit financial plan before deciding whether or not to approve it. The City and County of Honolulu responded that the current Environmental Impact Statement (EIS) is sufficient for decision-making.

The People's Pulse asked residents which option they prefer. In this either/or question, a large majority of residents (67%) favor making a decision based on the existing EIS study rather than waiting for another audit. A little over 1 in 5 prefers having another study done on the financial plan, which suggests that by a margin of more than 3:1, residents prefer action over more study. However, 1 in 10 remain undecided between these options.

ECONOMIC STIMULUS FOR CONSTRUCTION INDUSTRY GETS SOLID SUPPORT

To assess what actions it might take to stimulate the economy, the State Legislature last year organized a task force to review Construction and what measures would help put residents in this industry back to work. As it began its assignment, the management-labor-community task force reviewed the role of the construction industry in Hawai'i and found that it accounts for a larger portion of the State's economy than the nation as the whole. At the peak of the last cycle, the ratio was almost 70% greater for Hawai'i than the nation.

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EDUCATION: 88% OF RESIDENTS WANT MORE CLASSROOM TIME, NOT MORE MONEY

Furlough Fridays and Hawai'i's subsequent ranking as last in the nation in terms of the number of hours public school students in Kindergarten through Grade 12 (K-12) spend in the classroom have residents angry but also united about what they feel should be done. In the Winter 2010 issue of *The People's Pulse*, the importance of education has doubled in importance in the past six months, and residents have reached a strong consensus on the following:

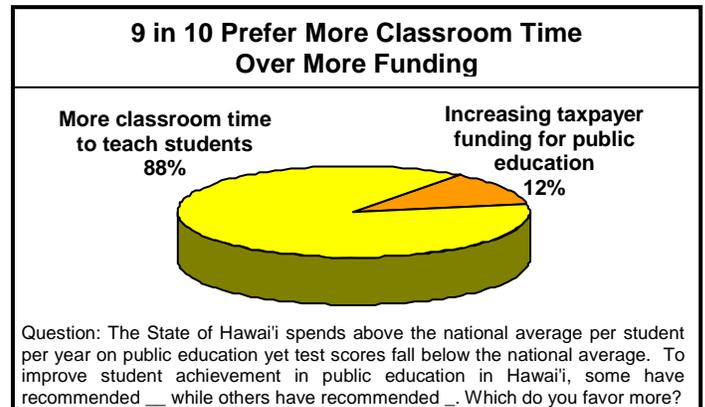
- Nearly 9 in 10 (88%) feel more hours in the classroom – not more money – is the means to improve quality of the Islands' public education.
- To give teachers more instructional time, residents clearly favor a more efficient approach to education. So that teachers spend less time on paperwork, almost 9 in 10 (87%) support investing in technology. And a similar 86% favor a standard curriculum so days teachers currently spend on curriculum preparation can be re-allocated to classroom teaching.
- Two in three (66%) feel it is time to consider an appointed rather than elected school board to improve student achievement.

According to the Hawai'i Business Roundtable's Education Committee, Hawai'i averages more on educational funding per student than the national average. This statement of fact was cited in posing the question of which approach to educational reform is preferred.

By a margin of more than 7:1, residents overwhelmingly favor improving student achievement by finding ways to increase classroom time rather than to provide more funding for public education.

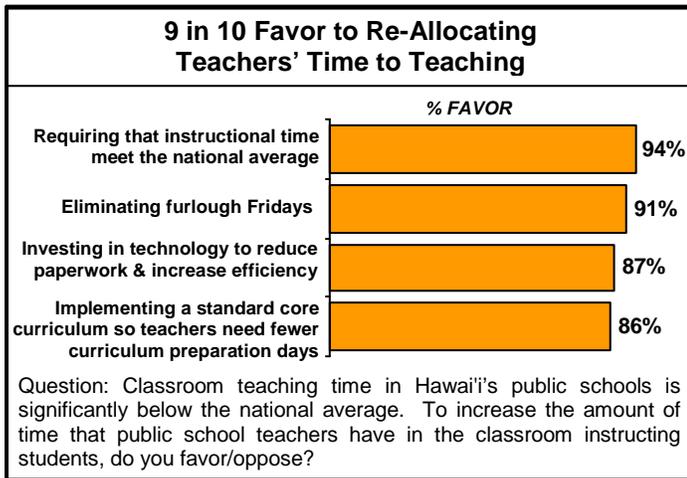
This level of support holds across all Islands, except among Maui residents where more classroom time is favored by somewhat fewer at 72%. Interestingly, strong preference for finding ways to increase instructional time is not dependent on whether or not respondents have children in public schools.

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EDUCATION: 88% OF RESIDENTS WANT REFORM

(Continued from Page 1)



Residents also have clear views on how to gain more time in the classroom for teachers. First, an overwhelming percentage of residents feel Hawai'i needs educational mandates on the amount of time spent teaching students in public schools.

- More than 9 in 10 (94%) favor requiring that instructional time in Hawai'i's classrooms at least meet the national average.
- Toward this end, close to the same number (91%) would start by eliminating furlough Fridays.

Secondly, and by very large margins, Hawai'i residents support strategies to re-allocate how teachers in public schools spend their time.

- To gain Hawai'i parity with the average amount of classroom time spent in public schools across the nation, residents strongly favor investing in technology to reduce teachers' required paperwork. Eighty-seven percent support this proposal, with approximately 3 in 5 (62%) strongly so, showing that an overwhelming number of residents want teachers to teach and to use technology to decrease the time spent on administrative responsibilities.

More Classroom Time Or More Money		
	More classroom time to teach students	Increasing taxpayer funding for public education
TOTAL	88%	12%
Oahu	90%	10%
Big Island	90%	10%
Maui	72%	28%
Kauai	96%	4%
Male	91%	9%
Female	87%	13%
Caucasian	88%	12%
Japanese	88%	12%
Hawaiian	87%	13%
Filipino	90%	10%
Other	89%	11%
18-34 yrs old	88%	12%
35-54 yrs old	91%	9%
55+ yrs old	85%	15%
<\$35K	88%	12%
\$35-\$75K	91%	9%
\$75K+	87%	13%
With children in public school	87%	13%

Although a slight age gap is evident on this issue with residents over the age of 55 years somewhat less likely to favor technology for greater teacher efficiency, this segment still registers 85% support.

- Another strategy for gaining instructional time is to implement a core curriculum in Hawai'i's public schools. This will de facto reduce the number of days needed for curriculum preparation, and re-allocate them to the classroom. Almost 9 in 10 (87%) favor this approach, more than half (61%) strongly. Support for a standard curriculum is stronger on O'ahu (89%) than on the Neighbor Islands overall (80%) largely due to opinion on Maui. Although opposition to a standard curriculum is minimal at 14%, it is five percentage points higher among Caucasian residents 19%.

Residents further indicate willingness to reform public education through a change in governance. Specifically, residents strongly support clearer lines of authority for student achievement in Hawai'i's public schools. Although 5 in 9 (56%) feel that current responsibility for student achievement is unclear, even more agree that it could be improved. More than 9 in 10 (94%) agree that the State needs clear accountability for student achievement in the public school system, with 83% in strong agreement. Disagreement is minimal with less than 1 in 10.

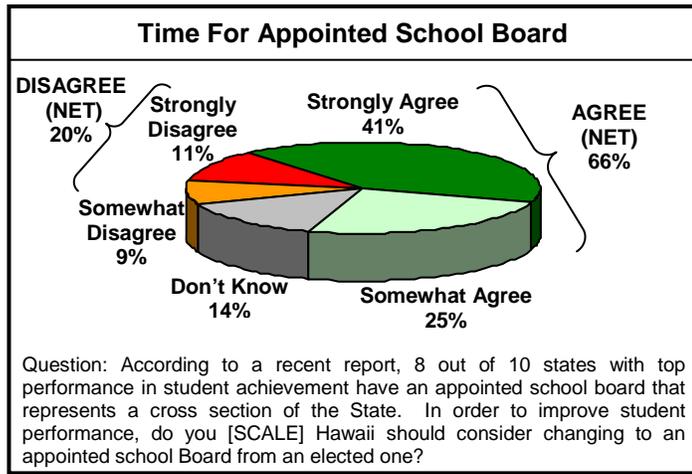
Geographically, Hawai'i Island and O'ahu residents are most likely to be in strong agreement that there needs to be clearer accountability on student achievement. Nine in 10 Big Islanders (90%) strongly feel the need for more clarity of responsibility while slightly less (85%) feel the same on O'ahu. In terms of ethnicity, Filipino residents feel most strongly with more than 9 in 10 (93%) wanting clear lines of accountability. (Continued on next page)

% Strongly Favoring Educational Reform Options				
	Eliminating furlough Fridays	Investing in technology	Requiring instructional time at least meet national average	Implementing a standard core curriculum
TOTAL	84%	62%	79%	61%
Oahu	85%	63%	78%	66%
Big Island	79%	56%	83%	42%
Maui	87%	64%	75%	53%
Kauai	88%	65%	83%	63%
Male	80%	63%	74%	62%
Female	87%	62%	81%	61%
Caucasian	86%	62%	87%	62%
Japanese	77%	64%	66%	49%
Hawaiian	86%	57%	79%	61%
Filipino	88%	61%	78%	66%
Other	84%	66%	79%	66%
18-34 yrs old	86%	69%	69%	53%
35-54 yrs old	84%	60%	84%	66%
55+ yrs old	83%	59%	82%	64%
<\$35K	87%	62%	69%	46%
\$35-\$75K	88%	64%	83%	65%
\$75K+	79%	66%	82%	71%
Have children in public school	88%	65%	78%	65%

ECONOMIC STIMULUS FOR CONSTRUCTION

(Continued from Page 1)

Although residents are not aware of the greater importance that the Construction Industry has to our state, they nonetheless strongly support incentives to stimulate building. A plurality of 46% of Hawai'i residents think that the construction industry accounts for about the same percentage of the State's economy as the nation's. Fewer – 1 in 3 or 33% – correctly assess construction as a larger contributor, and 1 in 7 (15%) perceive it to be less important here.



When residents are informed that 8 out of 10 states with top performance in student achievement tests have an appointed school board representative of a cross section of the State, 2 in 3 (66%) agree, 1 in 5 disagree (20%) and 1 in 7 are undecided (14%) about changing from an elected to appointed Board of Education. Surprisingly, a plurality of 41% strongly agree that it is time to review governance of Hawai'i's public schools, which currently rests with BOE members elected by voters. Although a majority of Maui residents (54%) support the change, opposition from the Valley Isle (32%) is almost twice that on O'ahu (18%).

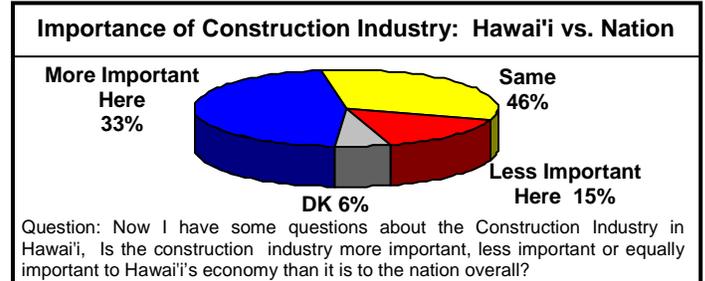
Finally, a majority of residents feel that appointments to a new Board of Education should be made by a combination of the executive and legislative branches as well as by the Parent Teachers Students Association. More than 5 in 9 (57%) favor having a combination of elected officials and organizations appoint school board members, with a majority across all major demographic segments favoring this combined approach. Although the Governor has recommended that her office make appointments, only 8% support this option, with men twice as likely as women (13% to 5% respectively). Residents who agree that the board should be appointed rather than elected are also more likely to agree that the Governor should make appointments (11%).

In addition to the quantitative questions on education, *The People's Pulse* asked residents if they had any unaided suggestions on how to improve the quality of public education. It is in these spontaneous comments that the

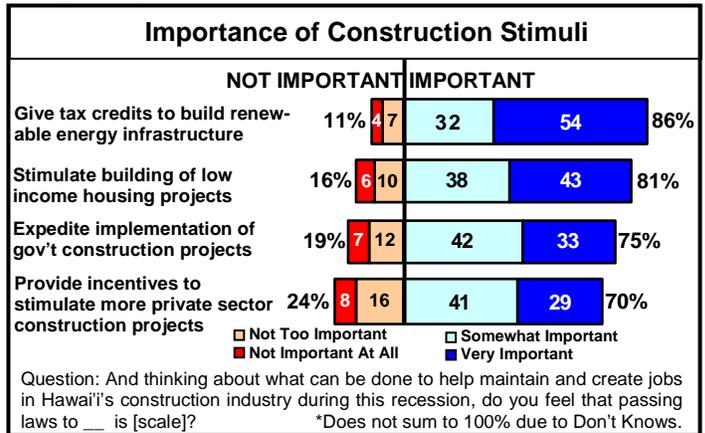
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Who Should Appoint School Board By Agreement That Reform is Needed			
	TOTAL	AGREE	DISAGREE
A combination	57%	59%	46%
Parent Teachers Student Association	26%	25%	36%
Governor	8%	11%	3%
Legislature	3%	3%	1%
Mayors	1%	1%	1%
Other	1%	0%	2%
Don't Know/Refused	5%	1%	10%

Question: If there were an appointed School Board, who should make the appointments? Should it be...

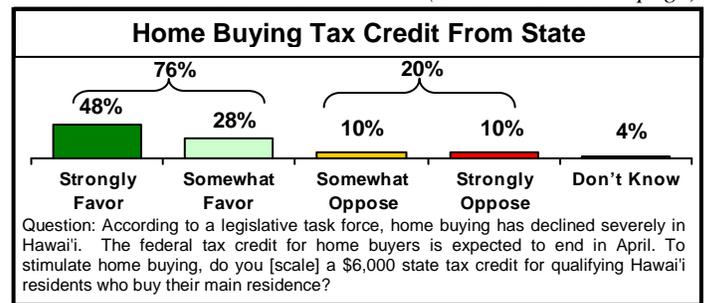


Regardless of awareness of the size and importance of the construction industry, a large percentage of residents would like to see workers off the benches and back to work. *The People's Pulse* tested public opinion on several economic stimulus strategies. While all are perceived as important by 7 in 10 or more, tax credits for renewable energy are especially important. On this incentive, a majority of 54% see tax credits for renewable energy as very important, with 86% rating it important overall.



Residents rank economic stimulus for low income housing second with 81% importance. This is reinforced by public opinion toward the State replacing a \$6,000 federal tax credit for home buyers that is expected to end at the end of April. Just over 3 in 4 residents (76%) feel that if it does expire, Hawai'i should offer a similar credit for residents who buy their main residence, with the credit going for state rather than federal income taxes.

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ECONOMIC STIMULUS FOR CONSTRUCTION

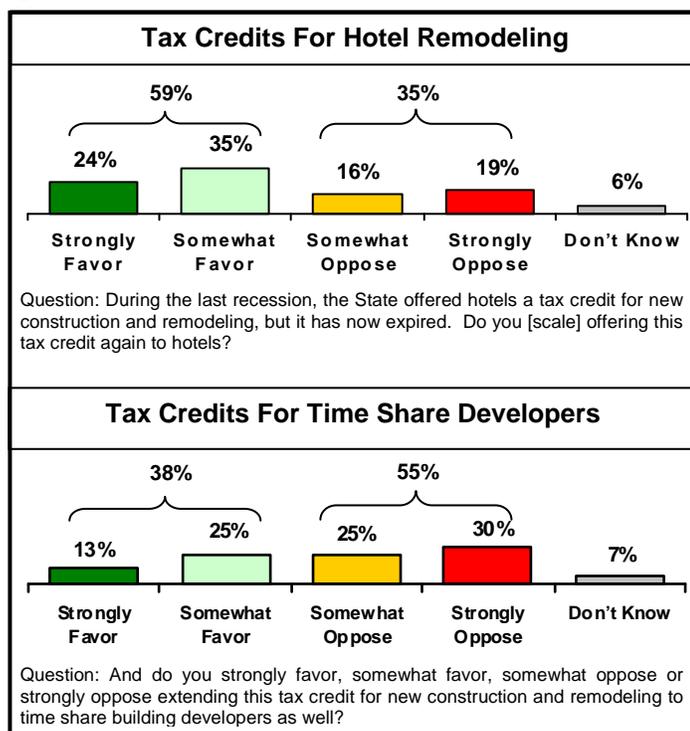
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Another area for stimulating construction is expediting turn-around of government approvals. Seventy-five percent (75%) rate this as an important concept. The mandated turn-arounds in the Construction Industry Task Force report cover State bidding times, contract award, and contract certification. Providing incentives to stimulate more private sector construction is rated as important by slightly fewer at 70%.

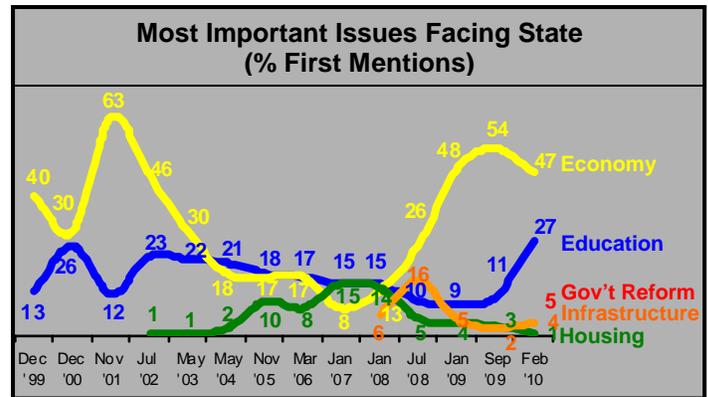
Interestingly, residents who assess that the Construction Industry is more important to the state's economy are also more supportive of initiatives to stimulate the industry, especially incentives to stimulate more private sector projects, where 82% of those that rate Construction as more important to Hawai'i find this an important action.

During the last recession, the State offered hotels a tax credit for new construction and for re-modeling, and almost 3 in 5 (59%) support re-instituting this tax credit for hotels, with one quarter in strong support. However, when asked if this credit should be expanded to include developers of time share accommodations, a majority oppose this suggestion. Fifty-five percent of residents say they do not support inclusion of time shares, one third strongly opposed. Support for the hotel construction and remodeling tax credit is largest among Japanese (70%) and Big Island residents (67%). O'ahu public opinion is also more favorable at 60% than Maui and Kaua'i at 47% and 49% respectively.

In contrast, opposition to the construction and re-modeling tax credits being extended to time shares is driven by the public opinion of Maui, Kauai and Caucasian residents. On the Valley Isle, almost half (48%) strongly oppose inclusion of time shares with total opposition standing at 66%. Similarly, 44% of the Garden Isle residents strongly oppose the construction and re-modeling tax credits to time shares with a total of 60% opposing. Although fewer Caucasian residents are in strong opposition (31%), the total who are against time share tax credits stand at 63%.



ECONOMY AND JOBS SPECIFICALLY AGAIN THE #1 CONCERN AMONG RESIDENTS



The economy again ranks as the #1 concern of residents across the State. Almost half of Hawai'i residents (47%) mention an economic concern as their most important top of mind issue facing the State. And within the economy, jobs are cited by more residents (20%) than any other single issue.

Although jobs continue as the most important priority, education has more than doubled in importance since the Fall 2009 *People's Pulse*. Currently 27% of residents, compared with 11% six months ago, cite education as the most important issue facing state government.

Relatively more residents of Kaua'i (57%) and of Japanese ancestry (64%) mention the economy. In fact, a majority of respondents from both of these segments feel this is the top priority of government. On the other hand, concern about education is relatively more pronounced among Native Hawaiians (41%), women (32%), and Caucasians (30%) than other demographic cohorts.

All other issues pale in importance when compared to the economy and education. Political and government reform is mentioned by 5% of residents and infrastructure by 4%. Other issues are identified first by 2% or fewer residents.

EDUCATION (Continued from Page 3)

emotional intensity and anger over furlough Fridays becomes evident. Some spontaneous replies follow:

- "Our test scores are below average, so why are they taking away education from our kids?"
- "Get rid of furlough Fridays. My daughter would have benefited having those extra days. So my husband and I have decided to keep her back one year to repeat kindergarten... several parents are doing the same."
- Stop the furlough days. They need to think more about the kids getting an education than letting them off every Friday."
- "Cutting any programs for schooling, especially furloughs, is absolutely crazy."

THE PEOPLE'S PULSE

This Winter 2010 issue of The People's Pulse is based on statewide telephone interviews among a random sample of 700 adult citizens (400 Oahu, 100 each on Hawai'i, Maui, and Kauai), February 12-22, 2010. Results are weighted by island. At a 95% confidence level the sampling error overall is +/3.7%. Call OmniTrak Group Inc. at 528-4050 for information on specifics. For more copies of this issue, please go to the following websites: www.prp-hawaii.com or www.hibusinessroundtable.org.