

Honolulu, Hawaii

**FEB 12**, 2024

RE: H.B. No. 1964  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Human Services, to which was referred H.B. No. 1964 entitled:

"A BILL FOR AN ACT RELATING TO EARLY CHILD CARE,"

begs leave to report as follows:

The purpose of this measure is to establish and appropriate funds for a child care provider subsidy and bonus program.

Your Committee received testimony in support of this measure from the Department of Human Services; Executive Office on Early Learning; Hawai'i Association of School Psychologists; Aloha United Way; Kama'aina Kids; American Association of University Women of Hawai'i; Early Childhood Action Strategy; Hawai'i Children's Action Network Speaks!; Hawai'i State Coalition Against Domestic Violence; Hui for Excellence in Education; Holomua Collaborative; Chamber of Commerce Hawaii; Hawaii Planning Mill Building Supply; Mana Up; Title Guaranty of Hawai'i; Hawai'i State Democratic Women's Caucus; and numerous individuals.

Your Committee finds that the demand for quality child care and early education exceeds the number of qualified child care and early education professionals currently available in the State. Your Committee believes that this measure would address this shortage by providing subsidies to retain the existing early child care workforce, and will sustain continued efforts to stabilize



the workforce after the Department of Human Services' supplemental grant programs ends on September 30, 2024.

Your Committee notes that the Department of Human Services has suggested additional amendments for this measure to further clarify the standards for the Child Care Provider Subsidy and Bonus Program.

Accordingly, your Committee has amended this measure by:

- (1) Including licensed group child care homes as one of the licensed child care providers eligible to participate in the Child Care Provider Subsidy and Bonus Program;
- (2) Amending the types of proof each applicant must provide to the Department of Human Services regarding each covered child care worker or family child care home;
- (3) Clarifying that applicants and covered child care workers are prohibited from using state funds for any other unauthorized uses prohibited by law or as determined by the Department of Human Services;
- (4) Specifying that the University of Hawaii and any entity of the University are ineligible to receive subsidies or bonuses under the Child Care Provider Subsidy and Bonus Program;
- (5) Authorizing the Department of Human Services or its designee to review applicants for subsidies and bonuses;
- (6) Changing the means of financing for the Child Care Provider Subsidy and Bonus Program from a general fund appropriation to an appropriation into and out of the Child Care Grant Program Special Fund;
- (7) Inserting an unspecified appropriation from general revenues for one full-time equivalent Program Specialist position to carry out the implementation and monitoring of the Child Care Provider Subsidy and Bonus Program;
- (8) Changing the effective date to July 1, 3000, to encourage further discussion; and



- (9) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider an appropriation amount of \$100,000 for one full-time equivalent (1.0 FTE) Program Specialist position to implement the Child Care Provider Subsidy and Bonus Program. Your Committee further notes that to increase wages by \$2 an hour for four thousand three hundred workers, the subsidy budget would be \$18,300,000.

Your Committee notes that the Department of Human Services has requested an extended effective date of January 31, 2025, or later to allow the Department sufficient time to make program and system changes and develop administrative processes and rules.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1964, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1964, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Human Services,



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LISA MARTEN, Chair



