



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

January 27, 2017

TO: The Honorable Senator Josh Green, Chair
Senate Committee on Human Services

FROM: Pankaj Bhanot, Director

SUBJECT: **SB 181 – RELATING TO EDUCATION**
SB 497 – RELATING TO PRESCHOOL OPEN DOORS PROGRAM

Hearing: Friday, January 27, 2017, 2:45 p.m.
Conference Room 016, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports the intent of these measures provided that passage of either does not replace or adversely impact priorities in the Executive Budget and existing operations. The DHS offers comments, in particular, if the Legislature expands the eligible population to the Preschool Open Doors Program (POD), DHS will need adequate administrative resources to implement the program changes, and sufficient time to amend relevant rules, re-procure for services, and address operational needs such as modifications to the IT system.

PURPOSE: The purpose of SB 181 is to expand the qualifying age for the preschool open doors program to 3- and 4- year old children prior to entering kindergarten.

The purpose of SB 497 is to expand the qualifying age for the preschool open doors program to children four years old and younger.

The POD program assists low and moderate income families who are least able to afford preschool and provide their children with the opportunity to be ready for kindergarten by providing child care subsidies for preschool costs. Act 169, Session Laws of Hawaii (SLH) 2013, established the POD program as the statewide school readiness

program and appropriated \$6 million in general funds for state fiscal year (FY) 2015 for program and administrative costs, including 3 temporary positions. Act 191, SLH 2015, appropriated \$6 million in general funds for FY 2016, however the legislature did not provide administrative funding or temporary positions. Act 124, SLH 2016, allocated an additional \$10 million to DHS base budget for a total of \$11.6 million for FY 2017 for POD subsidies. Act 124, SLH 2016, also provided allocations for administrative costs, including 1 permanent position.

DHS provides the following comments:

1. Provision of necessary administrative resources for DHS – staffing, Executive Budget request.

To continue the current POD program, the Governor's current budget request for POD includes a full year of funding for FYs 2018 and 2019 for the 1 permanent position established through Act 124, SLH 2016. DHS requires the full time position and administrative funds to effectively monitor and implement POD at FY 17 levels, and to provide on-going review of contract deliverables and performance measures.

Without the appropriate level of administrative resources, it will be difficult to implement the program as the legislature intends; expanding the program population without addressing administrative resources will be problematic.

SB 181 as drafted would expand the POD program to serve 3 year old children, as well as 4 year old children. SB 181 also would provide an additional \$12 million in POD subsidies to families for FYs 2018 and 2019. However, no appropriation for administrative costs is currently included in SB 181.

SB 497 as drafted would expand the POD program to serve children younger than 4 year old children, as well as 4 year old children. However, there is no additional appropriation to fund the program which may result in a waiting list.

2. Unintended consequence: decreasing services to 4 year olds.

DHS is concerned that allowing families with younger children to participate in the POD program may have unintended consequences of decreasing services to the 4 year old

population. Recall, that with the change of entry age to kindergarten,¹ to ensure learning opportunity and improve kindergarten readiness, the Legislature identified the 4 year old population as the priority of Act 169, SLH 2013.

Currently, there are 1,751 4 year old children participating in the POD program. Kindergarten enrollment is approximately 16,000 children each year. POD serves about 10% of the population of children who are eligible for kindergarten in the following year.

For SB 181 and SB 497 as drafted, if a child younger than 4 years old is underserved or at-risk, the younger child will have priority for POD services over a 4 year old child who is not underserved or at-risk, which runs the risk that the 4 year old does not have the learning opportunity as set forth in Act 169, SLH 2013.

SB 497 does not provide an increased appropriation for POD subsidies, yet the number of eligible children may increase by an estimated 400%, assuming a steady birth rate each year for children birth through 3 years of age. To be viable and avoid large waiting lists, funding for POD subsidies would need to increase.

3. Technical concern regarding ages of children that can be served by a preschool.

Over time, different child care and preschool programs were created to serve specific needs or populations. The enabling statutes created specific mandates, administrative rules and licensing provisions were created to implement and administer the multiple changes.

DHS needs clarification whether POD services can be provided to children less than 2 years of age, as there are separate licensing requirements between group child care centers and group child care homes (i.e. preschools) versus the licensing requirements for infant and toddler child care centers which serve children ages 6 weeks to 36 months in age.

The current POD program only allows POD services at group child care centers and group child care home.

¹¹ Act 178, SLH 2012, repealed junior kindergarten programs at the end of the 2013-2014 school year, and beginning with the 2014-2015 school year, required students to be at least five years of age on July 31 of the school year in order to attend kindergarten.

4. Provision of necessary administrative resources for DHS – funding.

Regarding SB 181, DHS estimates that the additional \$12 million in subsidies could serve another 1,855 children, for a total of 3,655 children with \$23.6 million in POD subsidies.

DHS respectfully notes that doubling the amount of POD subsidies to be awarded by DHS will increase the administrative oversight needed for the program. DHS estimates that \$411,500 each for FYs 2018 and 2019 to implement the program at the level of additional funding and to expend the full amount in the appropriate fiscal year.

Administrative costs are required to cover 1 additional position to support the permanent POD position, IT data system modifications, increased cost for the POD contracted services, and other related administrative costs.

The current POD contract would need to be competitively re-procured for the appropriate level of services expected, as a \$12 million increase in POD subsidies administered would be a significant change to the contract service specifications.

Also, expanding the eligibility requirements for the POD program will require amendments to the existing Hawaii Administrative Rules (HAR) Chapter 17-799, adopted pursuant to Chapter 91, Hawaii Revised Statutes (HRS).

5. Provision of necessary administrative resources for DHS – staffing.

Staffing support required to make simultaneous changes for the POD program to administrative rules, operational procedures, IT data system modifications, and re-procurement of the POD contracted service is greater than the current staffing level of the DHS Child Care Program Office (CCPO).

CCPO is in the process of implementing significant changes to both the DHS child care licensing and federally funded child care subsidy programs, as required by the Child Care and Development Block Grant (CCDBG) Act of 2014, Public Law 113-186, and 45 Code of Federal Regulations Part 98. Compliance is required for Hawaii to continue to receive approximately \$22 million in federal Child Care and Development Fund (CCDF) grants from the U.S. Department of Health and Human Services' Administration for Children and Families.

The CCDBG Act of 2014 reauthorized the CCDF program and made expansive changes focused on protecting the health and safety of children in care, making the program more family-friendly by streamlining child care subsidy eligibility policies, ensuring parents and the general public have transparent information about the child care choices available to them, and improving the overall quality of early learning and afterschool programs. The deadline for DHS to complete all of the required changes for the federal CCDF grants is September 30, 2018.

6. DHS requests an effective date of July 1, 2018 or later.

The statutory changes being considered, will require changes to administrative rules and operations, all while DHS implements the current program and moves the state into compliance with requirements of the CCDBG Act described above.

POD is currently accepting applications until March 31, 2017 for services in the 2017-2018 POD year. If either SB 181 or SB 497 were to pass as drafted with the Legislature's expectation of implementation effective FY 2018, given the current program demands and compliance efforts, DHS would be unable to modify the required IT data system, program eligibility, and administrative rule changes effective July 1, 2017. DHS respectfully requests a one year (or more) delay to the effective date to give DHS time to complete the necessary administrative and operational changes needed to change the POD eligibility requirements and delivery systems.

Thank you for the opportunity to provide comments on this bill.



**Testimony to the Senate Committee on Human Services
Friday, January 27, 2017 at 2:45 P.M.
Conference Room 016, State Capitol**

RE: SENATE BILL 181 RELATING TO EDUCATION

Chair Green, Vice Chair Chang, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **strongly supports** SB 181, which reestablishes eligibility for the preschool open doors program to 3- and 4-year-old children and for children in the year prior to entering kindergarten.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,400 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

The Chamber strongly believes that focusing on early childhood is critical because brain development takes place by age five. We believe it is imperative to begin investing early in a child's life, when the brain is in this state of tremendous growth potential. In 2008, the Hawaii Economic Benefits Study of early education for Hawai'i showed that for every \$1 Hawai'i invests in a quality four-year early learning program, the state will receive a return of \$4.20. This is not only about return of investment, but in providing for our employees and their children. The preschool open doors program currently pays subsidized tuition for over 1,100 children, many of whom are underserved and at-risk. Childcare is generally the second largest expense in family budgets after rent or mortgage. This program allows low-to-middle income parents to return to work, and promotes School Readiness in our state, where only 14.5% of children statewide display comprehensive readiness for Kindergarten.

Thank you for the opportunity to testify.



Hawaii
Children's Action Network
Building a unified voice for Hawaii's children

January 27, 2017

To: Senator Josh Green, Chair
Senator Stanley Chang, Vice Chair
Committee on Human Services

From: Deborah Zysman, Executive Director
Hawaii Children's Action Network

Re: **SB 181 – Relating to Education**
Hawaii State Capitol, Room 016, January 27, 2017, 2:45 PM

On behalf of Hawaii Children's Action Network (HCAN), we are writing to support SB 181 – Relating to Child Care Facilities

HCAN is committed to building a unified voice advocating for Hawaii's children by improving their safety, health, and education. Last fall, HCAN convened input in person and online from more than 50 organizations and individuals that came forward to support or express interest for a number of issues affecting children and families in our state that resulted in the compilation of 2017 Hawai'i Children's Policy Agenda, which can be accessed at <http://www.hawaii-can.org/2017policyagenda>.

HCAN supports the intention to expand the Preschool Open Doors program to 3 year olds and increase the appropriation to \$12 million from the current \$10 million in order to serve the additional students. When Preschool Open Doors started in 1990, this state-funded program served 3 & 4 year olds from qualifying low-income families. However, the program was significantly reduced in 2012 and 2013. Although services and funding for the program increased in the last year, the program has not been restored to the needed service levels.

Hawaii ranks second to last out of the most affordable states in the nation. Childcare is generally the second largest expense in family budgets after housing cost, averaging about \$8,040 per year. For children under two years that cost is generally much higher. The average POD subsidy is \$540/month to families with a median annual income of \$33,000 in 2015.

As of February 1, 2016, 2,213 applications were received for the Preschool Open Doors program, which provides subsidies for tuition assistance for families earning up to 142% over poverty line. As of the same date, only 1,156 children were being served. This is an opportunity to improve the chances for Hawaii's children to succeed by increasing the reach of the program.

By expanding the age range, it will provide more low- to moderate-income parents, especially single parents, the opportunity to pursue higher education, training, or work as well as better prepare students to succeed in school. Preschool Open Doors promotes cognitive, social, and emotional development of young children and school readiness in our state, where only 14.5% of children display comprehensive readiness for kindergarten.

For these reasons, HCAN respectfully requests that the committee vote to pass this bill.



KAMEHAMEHA SCHOOLS®

Senate Committee on Human Services

Time: 2:45 p.m.

Date: January 27, 2017

Where: Conference Room 016

TESTIMONY

By Ka'ano'i Walk
Kamehameha Schools

To: Chair Green, Vice Chair Chang, and Members of the Committee

RE: **SB 181 Relating to Education.**

E ka Luna Ho'omalua Green, ka Hope Luna Ho'omalua Chang, a me nā Lālā Kenekoa o kēia Kōmike, aloha! My name is Ka'ano'i Walk and I serve as the Senior Policy Analyst of the Kūamahi Community Education Group of Kamehameha Schools.

We are writing to support SB 181, relating to education, and offer the following comments:

Early childhood education and parental support is the cornerstone of the Kamehameha Schools Education Strategic Plan adopted in 2005, which seeks to foster long-term intergenerational change in the way Native Hawaiian families approach learning. Research demonstrates that early education is a key factor in lifelong success for all children, and we strongly urge the legislature to promote, enhance and support the efforts of the State of Hawai'i to appropriately address the needs of Hawai'i's pre-kindergarten children, including expanding the Preschool Open Doors program 3- and 4-year-old children and for children in the year prior to entering kindergarten. We respectfully ask for your support.

Founded in 1887, Kamehameha Schools is a statewide educational system supported by a trust endowed by Princess Bernice Pauahi Bishop, whose mission is to improve the capability and well-being of Native Hawaiian learners.

We believe that by continuing to engage in dialog around important educational policy decisions, we can contribute in a positive and meaningful way. 'A'oha hana nui ke alu 'ia. No task is too large when we all work together! Mahalo nui.



TO: Chair Green, Vice Chair Chang, and Members of the Senate Committee on Human Services

FROM: Ryan Kusumoto, President & CEO of Parents And Children Together (PACT)

DATE/LOCATION: January 27, 2017; 2:45 p.m., Conference Room 016

RE: TESTIMONY IN SUPPORT OF SB 181 – RELATING TO EDUCATION

We support the intent of SB 181 – Relating to Education. Participation in early learning and development programs for school readiness have immediate and long-term benefits that include higher levels of educational achievement, reduced homelessness, reduced crime, reduced substance abuse, improved health, and overall better social and economic well being.

The first 5 years of a child’s life lays the foundation for future development. Access to programs at an early age will help early identification of developmental, social/emotional, and educational issues.

There are approximately 8,000 keiki in Hawaii between the ages of 3-5 living in poverty. The majority of these keiki do not have the financial means to support opportunities that Preschool Open Doors would fund.

There are important secondary impacts with Preschool Open Doors. For example, these funds allow parents to have the time to find work and earn wages to support their family. It is a key component to our war on intergenerational poverty.

It is of crucial importance that we invest in Preschool Open Doors and provide for more keiki to have access to this program. **Children in Hawaii, no matter what their circumstance, deserve a chance.**

Founded in 1968, Parents And Children Together (PACT) is one of Hawaii’s not-for-profit organizations providing a wide array of innovative and educational social services to families in need. Assisting more than 18,000 people across the state annually, PACT helps families identify, address and successfully resolve challenges through its 16 programs. Among its services are: early education programs, domestic violence prevention and intervention programs, child abuse prevention and intervention programs, child and adolescent behavioral health programs, and community building programs.

Thank you for the opportunity to testify in **support of SB 181**, please contact me at (808) 847-3285 or rkusumoto@pacthawaii.org if you have any questions.



1806 So. King Street | Suite 30 | Honolulu, HI 96826 | (808)942-4708 | FAX (808)955-2739 | haeyc@hawaiihaeyc.org

Senate Committee on Human Services
January 27, 2017, 2:45 PM
Hawai'i State Capitol, Room 016

SB 181 – Relating to Education

Hawai'i Association for the Education of Young Children (HAEYC) has more than 800 members statewide. Our mission is to promote, support, and expand quality and professionalism in early childhood programs and services for Hawaii's children (birth to age 8) and their families.

HAEYC **supports** SB 181 which reestablishes eligibility for the preschool open doors program to 3- and 4-year-old children and for children in the year prior to entering kindergarten.

This measure supports HAEYC's vision of all Hawaii's families having access to quality early care and education programs. Providing Preschool Open Doors to children 3- and 4-year-old children and children in the year prior to entering kindergarten would be of great benefit to Hawaii's economy as it would support working families and educate the next generation of Hawaii's workforce.

Thank you for the opportunity to testify,

Kathy Murphy
Executive Director

Our mission is to promote, support, and expand quality and professionalism in early childhood programs and services for Hawai'i's young children (B-8) and their families.



AMERICANS FOR DEMOCRATIC ACTION

OFFICERS

John Bickel, President
Alan Burdick, Vice President
Marsha Schweitzer, Treasurer
Karin Gill, Secretary

DIRECTORS

Guy Archer
Fritz Fritschel
Chuck Huxel
Jan Lubin
Jenny Nomura

Stephen O'Harrow
George Simson
Emmanuel Zibakalam

MAILING ADDRESS

PO. Box 23404
Honolulu
Hawai'i 96823

January 25, 2017

TO: Honorable Chair Green and Members of the Human Services Committee

RE: SB181 Relating to Education
Support

Americans for Democratic Action is an organization founded in the 1950s by leading supporters of the New Deal and led by Patsy Mink in the 1970s. We are devoted to the promotion of progressive public policies.

We support SB 181 as it would provide for the reestablishment eligibility for the preschool open doors program to three and four-year-old children and for children in the year prior to entering kindergarten.

As the preamble of the bill states: "The State must commit to efforts to promote school readiness, especially for children with special needs, for whom English is a second language, or who are homeless. By not providing preschool services to these children when they are three years old, their school readiness will likely decrease while they wait to become eligible for these services at four years of age." We regret that this is not a full universal pre-K education program for all three and four year old children. Yet this is a small start. Studies overwhelmingly show that early education pays off in later educational achievement, life-time earning potential, and the lack of need for social services later in life. Early Education is a good investment. The more we put in the better!

Thank you for your consideration.

Sincerely,

John Bickel
President

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, January 24, 2017 1:02 PM
To: HMS Testimony
Cc: cchaudron08@gmail.com
Subject: Submitted testimony for SB181 on Jan 27, 2017 14:45PM

SB181

Submitted on: 1/24/2017

Testimony for HMS on Jan 27, 2017 14:45PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Camila Chaudron	Individual	Support	No

Comments: Aloha, My name is Camila Chaudron, I am a constituent from the Manoa/Makiki area and I strongly support this bill. Education is the key to a successful future. I am an educator, as is my sister and mother. It is a fact that strong literacy skills, a predictor of overall academic performance, are established through consistent exposure to language before the age of five. It is essential that our state's keiki have access to quality preschool services, especially our most vulnerable populations. Please vote yes to this bill. Mahalo.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Friday, January 27, 2017 8:39 AM
To: HMS Testimony
Cc: jeannine808@gmail.com
Subject: Submitted testimony for SB181 on Jan 27, 2017 14:45PM

SB181

Submitted on: 1/27/2017

Testimony for HMS on Jan 27, 2017 14:45PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Jeannine Souki	Individual	Support	No

Comments: Aloha Chair Green, Vice Chair Chang and Members of the Committee: I appreciate the opportunity to submit testimony on this important issue and commend you for bringing this bill forward this session. For many of those who are parents or guardians, finding safe, affordable and quality childcare is not easy, especially for infants. The cost of childcare varies between \$550 to \$1700+/month and is the second highest expense for families after housing costs. The cost to care infants is normally higher than toddler-age kids. Families raising more than one child are more common than those raising just one, which is why the expansion for subsidies into younger ages is needed. I know many families who have been assisted by the state's Preschool Open Doors program including a dear friend, a Japanese immigrant who lifted herself and her two young kids from domestic violence into a life she has built that is secure and thriving thanks to help from this program. Today she is a small business owner and is able to provide a safe and enriching home for her growing son and daughter. Prior to 2014, when the program was amended to prioritize four-year-old pre-kindergarten aged children (within one year of the kindergarten age), Preschool Open Doors qualified 3 and 4 year olds. Historically, when the program was created, the intention was to provide a level of subsidies for working families (not in poverty as those families may qualify for federal childcare subsidies). At the time my friend was going through separation and divorce while trying to hold down a retail job in Waikiki, she was able to qualify both her children for subsidized childcare through POD. Without it, she would not get to work as a single parent with very few hanai "aunties" and "uncles" to help out. I know professional childcare providers that are not paid nearly enough for the joyful work they do to care for children, who actually look to POD to help subsidize funding for their own children while they can work to provide care for others. When they find out the age restriction has narrowed to no longer include the 3s, it's a difficult reality to be faced with. With more than one kid under elementary age, childcare is sometimes unattainable without financial help. The strong correlation of economic growth benefits both the child who when placed in a quality childcare setting has more stimulation needed for development and success in the earliest years when it matters most, and for parents who need to get to work to afford a home and create stability for their child. The addition of qualifying younger ages is critical for the socio-economic growth of our state

from ages 0 to adulthood. Please allow POD to cover ages younger than Pre-K again.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Friday, January 27, 2017 1:56 AM
To: HMS Testimony
Cc: begoniabarry@gmail.com
Subject: Submitted testimony for SB181 on Jan 27, 2017 14:45PM

SB181

Submitted on: 1/27/2017

Testimony for HMS on Jan 27, 2017 14:45PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara Barry	Individual	Support	No

Comments: Aloha Chair and Committee Members, I strongly support this bill and hope you do as well. These are our future leaders. Give them the best start they deserve, Mahalo, Ms. Barbara Barry

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, January 26, 2017 8:21 PM
To: HMS Testimony
Cc: arce101@outlook.com
Subject: Submitted testimony for SB181 on Jan 27, 2017 14:45PM

SB181

Submitted on: 1/26/2017

Testimony for HMS on Jan 27, 2017 14:45PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Anthony Arce	Individual	Support	No

Comments: I have worked in the early education field since 2006 (about 9 of those years as a preschool teacher) and have seen the major progress a child makes from birth through five. I have seen the gains that children make who start their path to learning early and I have seen the struggles that children who start later run into compared to their peers who had an earlier start. When I hear the statistic that 90% of brain growth is done before age 5 it seems almost common sense to me. But I had been a preschool teacher for nearly 9 years and have first hand knowledge of this. According to Hawaii Children's Action Network, children who don't receive quality early education are: 25% more likely to drop out of school 40% more likely to become a teen parent 50% more likely to be placed in special education 60% more likely to never attend college 70% more likely to be arrested for a violent crime I support SB 181 because it extends access to education for children who are in our most vulnerable communities. We owe it to them to give them a fighting chance so they can crawl out of poverty. If we do not give our keiki the tools to succeed then we cannot be surprised when they don't. I urge you to pass this measure.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov