DAVID Y. IGE

EMPLOYEES' RETIREMENT SYSTEM
HAWAI'I EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

OFFICE OF THE PUBLIC DEFENDER



STATE OF HAWAI'I
DEPARTMENT OF BUDGET AND FINANCE

P.O. BOX 150 HONOLULU. HAWAI'I 96810-0150 CRAIG K. HIRAI

GLORIA CHANG DEPUTY DIRECTOR

ADMINISTRATIVE AND RESEARCH OFFICE BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION FINANCIAL ADMINISTRATION DIVISION OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY

TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEES ON HEALTH, HUMAN SERVICES, &
HOMELESSNESS AND EDUCATJION
ON
SENATE BILL NO. 2701, S.D. 2

March 22, 2022 11:00 a.m. Room 329 and Videoconference

RELATING TO EARLY EDUCATION

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill No. 2701, S.D. 2: 1) establishes a Child Care Worker Subsidy Pilot Program within the Department of Human Services (DHS) for a period of one year; 2) sets applicant eligibility and selection requirements, a target for the percentage of early childhood educators to be served, and reporting and other requirements for DHS; 3) appropriates an unspecified amount of general funds to DHS in FY 23 for the pilot program; and 4) appropriates an unspecified amount of general funds to the Executive Office on Early Learning in FY 23 for deposit into the Early Learning Special Fund to support the Hawai'i Early Childhood Educator Stipend Program.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.



STATE OF HAWAI'I Executive Office on Early Learning

2759 South King Street HONOLULU, HAWAI'I 96826

March 20, 2022

TO: Representative Ryan I. Yamane, Chair

Representative Adrian K. Tam, Vice Chair

House Committee on Health, Human Services, & Homelessness

Representative Justin H. Woodson, Chair Representative Jeanne Kapela, Vice Chair

House Committee on Education

FROM: Coleen Momohara, Interim Director

Executive Office on Early Learning

SUBJECT: Measure: S.B. No. 2701 S.D. 2 – RELATING TO EARLY EDUCATION

Hearing Date: Tuesday, March 22, 2022

Time: 11:00 a.m.

Location: Videoconference & Conference Room 329

Bill Description: Establishes a one-year Early Child Care Worker Subsidy Pilot Program to assist in retaining the existing early child care workforce. Appropriates funds for the pilot program to be expended by the Department of Human Services. Appropriates funds for the Early Learning Special Fund to be expended by the Executive Office on Early Learning for the Hawaii Early Childhood Educator

Stipend Program. The pilot program repeals on 7/1/2023. (SD2).

EXECUTIVE OFFICE ON EARLY LEARNING'S POSITION: Support

Aloha. I am Coleen Momohara, Interim Director of the Executive Office on Early Learning (EOEL). EOEL supports S.B. 2701 S.D. 2, which would establish an early child care worker subsidy pilot program and makes an appropriation to the Hawaii Early Childhood Educator Special fund and defers to the Department of Human Services (DHS) on other parts of the bill.

EOEL is committed to increasing access while building the infrastructure needed to make sure the State's investment reaps the intended returns. One of the things we've learned from our Program, as well as our collaborative work across private and public partners in the field, is that most, if not all, of us cannot find enough qualified staff to expand quickly. We must be sure this workforce is in place if we want new classrooms and programs to have qualified educators and for successful expansion.

Challenges in recruiting and retaining qualified staff are a significant barrier to sustaining the early learning workforce. Despite working in a specialized field with health, safety, and educational requirements and having higher levels of education than the average American worker (Whitebook et al., 1990), many early childhood care and education providers remain at the

second or third percentile in the Bureau of Labor and Statistics rankings of occupation, making wages comparable to that of parking lot attendants, bartenders, and laundry service workers. The median wage of child care workers in Hawaii is \$12.43. Sixteen percent of child care workers are living in poverty, compared to the 10 percent of the general population in Hawaii (Early Childhood Workforce Index, 2020). **EOEL recognizes that increasing compensation is an effective way to increase recruitment and retention of a qualified early learning workforce**, and we defer to the DHS regarding the components of the early child care worker subsidy pilot program and its implementation.

Act 210, SLH 2021, established the Early Childhood Educator Stipend Program. This program, administered by EOEL in partnership with the University of Hawaii, currently leverages private source funding that would provide upfront financial support, covering early childhood tuition and fees, to individuals in the early care and education system. This program targets individuals already working in the sector and appropriations to the program would provide sustainability and much-needed support for educators and providers who are an undervalued and under-supported workforce.

We have been in discussions with legislators and are working with higher education and other stakeholders statewide to understand how we can find creative ways to increase our early learning workforce to achieve the Legislature's vision. We look forward to continue working with the Legislature to expand access to high-quality early learning programs and services in the state and make its vision a reality.

Thank you for the opportunity to testify on this bill.

Submitted on: 3/18/2022 7:01:31 PM

Testimony for HHH on 3/22/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Mike Golojuch, Sr.	Rainbow Family 808	Support	Written Testimony Only

Comments:

Rainbow Family 808 strongly supports SB2701. Please pass this bill. Thank you.

Mike Golojuch, Sr., Secretary/Board Member, Rainbow Family 808



To: House Committee on Health, Human Services & Homelessness and House Committee on Education

Hearing

Date/Time: March 22, 2022 11:00AM

Re: Testimony in STRONG SUPPORT of SB2701 SD2

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and the Members of Committees,

Members of AAUW of Hawaii thank you for this opportunity to testify in strong support of SB2701 SD2 which would create a 1 year pilot wage subsidy program and appropriate funding into the Early Childhood Educator Stipend program to retain and recruit childcare educators.

In 2020, Hawaii had an estimated 59,000 children under 6 needing care and only 24,000 spaces in licensed & regulated programs. The median wage of childcare educators in Hawaii is \$12.43 and many leave for a better paying job. The living wage in Hawaii is \$19. We simply need to pay the childcare educators better. The childcare programs rely on tuition to stay open and that cost is already way too high for most of the families in Hawaii.

Women shoulder a disproportionate burden of child care responsibilities: about 27% of mothers stay at home (versus 7% fathers), three fourth of the mothers who stay at home do so to care for family (versus one fourth of the fathers) according to a 2018 survey from Pew Research. Being forced to leave the labor force to do unpaid care work limits women's advancement and corresponding pay increases, contributing to the gender pay gap. On average, women spend 12 years less in the workforce than men. The gender pay gap also continues into retirement, with the 2019 U.S. Census Bureau American Community Survey showing a nearly 30% difference in total retirement income between men and women. There are serious and disproportionate financial barriers to seniors aging in place and avoiding institutionalization.

By increasing the number of childcare spaces by raising the wage of childcare educators while keeping the licensed child care programs affordable, SB2701 SD2 allows mothers to remain in the workforce. This measure allows mothers a chance for better pay for themselves and their family, and for better retirement income and savings.



The American Association of University Women (AAUW) of Hawaii is an all volunteer, statewide chapter of a national organization and is made up of six branches: Hilo, Honolulu, Kauaʻi, Kona, Maui, and Windward Oahu. UH Hilo, UH Manoa, UH Maui College, and Windward Community College are also AAUW partners. AAUW's mission is to advance gender equity for equal opportunities in education, at workplace and for economic security, and in leadership.

Please pass this important measure.

with Aloha, Younghee Overly

Public Policy Chair, AAUW of Hawaii publicpolicy-hi@aauw.net



Date: March 19, 2022

To: House Committee on Health, Human Services, & Homelessness

Representative Ryan Yamane, Chair Representative Adrian Tam, Vice Chair

House Committee on Education Rep. Justin H. Woodson, Chair Rep. Jeanne Kapela, Vice Chair

From: Early Childhood Action Strategy

Re: Support for SB2701 SD2, Relating to Early Education

Early Childhood Action Strategy (ECAS) is a statewide cross-sector collaborative designed to improve the system of care for Hawai'i's youngest children and their families. ECAS partners work to align priorities for children prenatal to age eight, streamline services, maximize resources, and improve programs to support our youngest keiki.

ECAS strongly supports passage of SB2701 SD2, which would 1) establish and fund a child care worker subsidy pilot program and 2) make an appropriation to the Hawaii Early Childhood Educator Special Fund.

High-quality child care and early learning programs are fundamental to thriving children, flourishing families, and a robust economy. An effective, well-trained, early childhood workforce is the backbone of these programs. This workforce, however, suffers from chronically low wages and turnover.

According to the 2020 National Early Childhood Workforce Index (Center for the Study of Child Care Employment) there are an estimated 3,410 members of the early childhood teaching workforce providing services to Hawaii's children. The median hourly wage for child care workers in Hawaii is \$12.43 and the poverty rate for early educators in Hawaii is 16.3%, much higher than the poverty rate for Hawaii workers in general (6.1%) and 4.5 times as high as for K-8 teachers (3.6%). Studies nationally estimate annual turnover rates between 26-40% for early childhood educators in licensed child care facilities.

The pandemic has only exacerbated the problem, with the risks and burdens of COVID-19 making it all the more difficult to both retain child care professionals and replace those who leave. As of September, 2021, the child care industry, nationally, was down 126,700 workers, more than a 10% decline from pre-pandemic levels and was facing one of the most dire of hiring situations across employment sectors.

The wage supplements and education stipends supported by **SB2701 SD2** are a critical measure designed to aid in the recruitment, education, and retention of the early care and learning workforce. Fifteen states and the District of Columbia have used child care compensation programs to address the high rates of turnover and critical shortage in the workforce, and increasing compensation has been cited as the #1 way to increase retention and recruitment for child care and early learning in Hawai'i.

In order for Hawai'i to rebuild from the pandemic and meet the education, employment, and economic needs of the state, the state must support and sustain the child care sector and improve families' access to child care and early learning programs by prioritizing strategies, such as those in **SB2701 SD2**, to stabilize and expand the early childhood workforce.

Thank you for this opportunity to provide testimony in support of this measure.

<u>SB-2701-SD-2</u> Submitted on: 3/19/2022 9:05:01 AM

Testimony for HHH on 3/22/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Alec Marentic	Hawai?i Association of School Psychologists	Support	Written Testimony Only

Comments:

HASP supports the intent of this bill.



To: Representative Yamane, Chair
Representative Tam, Vice Chair
House Committee on Health, Human Services,
and Homelessness

Representative Woodson, Chair Representative Kapela, Vice Chair House Committee on Education

Re: SB 2701 SD2, relating to early education

11:00 AM, March 22, 2022

Chair Yamane, Chair Woodson, Vice Chair Tam, Vice Chair Kapela, and committee members,

On behalf of HCAN Speaks!, thank you for the opportunity to **testify in STRONG SUPPORT of Senate Bill 2701 SD2**, **relating to early education**. **We need bold efforts to stabilize the early care and learning workforce***. Piloting a compensation program and funding the Early Childhood Educator Stipend program help us keep our current qualified and dedicated workforce and builds the workforce for tomorrow.

We request that the measure be amended so that the pilot compensation program is specific to child care workers in licensed child care centers, licensed infant and toddler centers, registered family child care homes, and licensed group child care centers to mirror the intention of the bill.

We need to prioritize maintaining our current child care workforce. This bill pilots a compensation program aimed to prevent child care workers from leaving the profession. Low compensation has been an on-going issue for early care and learning. Although the problem has been recognized, there has been no action to improve compensation. The average hourly wage of a child care worker in Hawai'i is under \$13. As a result, our early care and learning workforce is shrinking. Without the professionals in the programs, we will continue to see a reduction of spaces for children. The ripple effect in our community will be outstanding.

Supporting new early care and learning educators helps us grow the programs children and families need. The Early Childhood Educator Stipend Program (Act 210, 2021) supports recent graduates entering into the early care and learning profession. Educators are eligible for the education stipend if they provide early care and learning services to children between the ages of birth and five years old for at least two

"Recruitment, development and retention of qualified child care staff remains problematic in most areas of the state. A major contributing factor is low compensation for teachers which deters interested and qualified individuals from entering or remaining in the child care profession. The high rate of turnover among child care staff negatively affects the consistency and quality of care provided to children."

Department of Human Services ¹

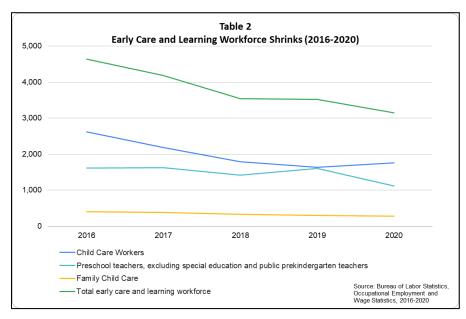
consecutive years. While the measure was passed last session, no appropriation was made. We cannot grow our programs if we have no one to work in them.

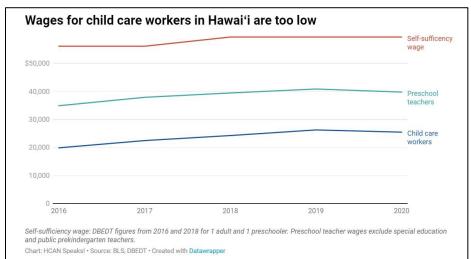
Our shrinking workforce directly contributes to the loss of child care programs. While we've seen a reduction in the number of child care programs since the start of the pandemic, we've been in a steady decline for the last five years (Table 1). It is not a coincidence that we have also seen a reduction in the early care and learning workforce (Table 2). Demand remains high for early care and learning programs and parents are sometimes waiting months for a spot. But we can stop and reverse these trends. We can invest in our early care and

learning workforce the same way we do for other public goods. Several states and the District of Columbia have launched initiatives to do this. Recently, Washington D.C passed a bill to give child care workers a one-time payment between \$10,000 and \$14,000. They also adopted a plan to raise wages permanently.¹

Table 1	2016	2017	2018	2019	2020
Total Regulated Child Care Licensed Capacity	35,988	36,070	35,548	35,548	35,418
Number of Children Under Age 6 Needing Care	66,000	65,000	64,000	61,000	59,750

Sources: Kids Count, "Children under age 6 with all available parents in workforce"; Department of Human Services regulated child care licensed capacity





¹ dcist, February 2, 2022, "D.C. Child Care Workers To Get \$10,000 Checks As Part Of Pay-Raise Plan", https://dcist.com/story/22/02/02/dc-child-care-worker-payment/

^{*} The terms 'early care and learning', 'early childhood educator', and 'child care worker' are used interchangeably.

Child care programs cannot increase wages without increasing the costs to families. But for most families, child care is already too expensive.

In the fall, early care and learning professionals were asked what came to mind when they heard "Early childhood professionals deserve worthy wages for worthy work", here are a few of their responses:

"ABSOLUTELY! They are doing the work with our youngest children whose brains are growing exponentially! Why are they getting paid so little when they have the MOST important work!"

"Like my dream come true, to get paid what I am worth"

"Employee retention is getting more difficult as the years go by......Its so hard to give an employee the pay they deserve for all the hard work they do. Benefits such as retirement are unheard of!"

Let's take the steps to support children, families, and our early care and learning professionals. Investing in the early childhood workforce is an investment in our children. For these reasons, HCAN Speaks! respectfully requests the Committee to support this measure.

Thank you,

Kathleen Algire
Director of Early Learning and Health Policy

To: Rep. Ryan I. Yamane, Chair

Rep. Adrian K. Tam, Vice Chair

Members of the House Committee On Health, Human Services & Homelessness

Rep. Justin H. Woodson, Chair Rep. Jeanne Kapela, Vice Chair

Members of the House Committee on Education

From: Robert G. Peters, Chair

Early Learning Board

Subject: Measure: SB 2701 SD 2, Relating to Early Education

Hearing Date: Tuesday, March 22, 2022

Time: 11:00 A.M.

Location: Conference Room 329 and Videoconference

Description: Establishes a 1-year child care worker subsidy pilot program to assist in retaining the

existing early child care workforce. Appropriates moneys for the pilot program to be expended by the Department of Human Services. Appropriates monies to be deposited into the the early learning special fund and expended by the Executive Office on Early Learning for the Hawaii Early Childhood Educator Stipend Program. Repeals the pilot

program on 7/1/2023. Effective 7/1/2050. (SD 2)

Early Learning Board Position: Support

Aloha. I am Robert G. Peters, Chair of the Early Learning Board (ELB). Thank you for this opportunity to support the intent of SB 2701 SD 2.

The Early Learning Board (ELB) appreciates the Legislature's continued support of early learning, despite the challenges the State has had to face because of the COVID-19 pandemic. We are grateful for your continued efforts to increase access to early care and education and the recognition that the need for quality early child care and education far exceeds the current State's capacity to deliver it. One of the critical capacity issues arises from the inadequacy of compensation for providers, who are challenged to afford Hawaii's cost of living. The median wage for child care workers is well below the living wage of \$20.61/hr. calculated for a single adult in our State. This situation is a barrier to attracting and retaining quality providers and child care workers and accounts, in part, for the high early childhood educator turnover rate not only in Hawaii but across the nation.

This bill, SB 2701 SD 2, aligns with the ELB annual priorities which include, "Supporting efforts to expand workforce capacity building" and the Board's support of the University of Hawaii's College of Education's effort to conduct a compensation study with recommendations about achieving equity with sustainable living wages for early educators, a vital part of our State's economic infrastructure.

Act 210, SLH 2021, established the Early Childhood Educator Stipend Program but without an appropriation. This program, administered by EOEL in partnership with the University of Hawaii, currently leverages private source funding that would provide upfront financial support, covering early childhood tuition and fees, to individuals in the early care and education system. One of the greatest barriers for early childhood professionals to pursue higher education is not having the money to pay for tuition; the appropriation in this bill would help to address this critical need and help to guarantee that our community workforce can be served with quality, much needed child care.

Mahalo for the opportunity to offer this testimony supportive of SB 2701 SD 2.

<u>SB-2701-SD-2</u> Submitted on: 3/18/2022 5:00:04 PM

Testimony for HHH on 3/22/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Michael Press	Individual	Support	Written Testimony Only

Comments:

My name is Michael Press. I am a teacher at Ilima Intermediate in Ewa Beach on Oahu. I support this bill and I urge you to do the same. Thank you.

<u>SB-2701-SD-2</u> Submitted on: 3/19/2022 11:47:57 AM

Testimony for HHH on 3/22/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jennifer Azuma Chrupalyk	Individual	Support	Written Testimony Only

Comments:

Mahalo nui

Submitted on: 3/20/2022 9:33:21 AM

Testimony for HHH on 3/22/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kanani Higbee	Individual	Support	Written Testimony Only

Comments:

I, Kanani Higbee, testify on behalf of myself, a parent leader, a Maui 'ōiwi. I **strongly support** SB 2701. As a community member who worked with children over a decade from kindergarten through senior year of highschool, in special education, after school care, and summer and winter day camps, I feel that it's extremely important to pay early childhood educators a liveable wage because they do so much to set kids on the right path for life so they can grow and become contributing members of society as adults. Additionally, I am on the board of Native Hawaiian substance use disorder for Maui. My siblings were part of the school to prison pipeline.

I have seen firsthand what happens when kids have high adverse childhood experience (ACE) scores in which they suffer from things like poverty, homelessness, parent suffering substance use disorder, incarceration or mental disorder, child abuse. The more factors they suffer from, the worst their chances of being successful and healthy throughout their life. However, they can offset the ACE score with their positive childhood experience (PCE) score. That's why it's important to pay early childhood educators their worth. They help families out tremendously. They help children have a boost in education so they are successful in school. They also help families out so they can afford childcare for their children. It's hard to afford childcare. My husband died and I struggled to afford childcare. He was deported out of the country during the recession when all these programs that helped parents afford childcare were no longer available. It was so hard to afford childcare and rent.

Hawaii parents struggle so much to afford rent and childcare. I've personally known cases on Maui of 5 year olds watching babies so the parents can work. Hawaii has no age requirement for children to be at home by themselves. It's sad that parents have to shoulder the burden of paying astronomical prices of daycare when the cost of living is so high in Hawaii. The government really needs to help out so these early childhood educators can be paid competitive wages. In order for employees to be kept so that they can take on enough children that need to be cared for, they need to be paid a good amount of money since they have bills to pay themselves. They need liveable wages. I hope they will get paid the right amount. I hope lawmakers will make sure this bill is passed.

I would much rather see money put toward lifting families so their children are successful in life. Than dealing with the consequences of not supporting families and children. I would like funding to go toward helping our people so they can be successful by putting it towards early childhood education. Than having to turn around and put money in for profit prisons because children didn't receive enough support growing up. Let's **LIFT** the children.

<u>SB-2701-SD-2</u> Submitted on: 3/20/2022 9:59:03 AM

Testimony for HHH on 3/22/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Patricia Blair	Individual	Support	Written Testimony Only

Comments:

Our children are important for our future.

Submitted on: 3/20/2022 10:53:37 AM

Testimony for HHH on 3/22/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
JoAnn Bishop Freed	Individual	Support	Written Testimony Only

Comments:

Aloha--

As a retired early childhood program director, I must ask that you support SB 2701 to increase the compensation of early childhood educators. We have to increase the numbers working in the fiels, yet at this time, 16% of early childhood ducators live in poverty compared to 10% in the general population. An increase in their compensation will have a tremendous impact in the ability to recruit, train and retain an adequate early childhood education workforce to support families and their young children in Hawaii.

Mahalo,

JoAnn Bishop Freed

Submitted on: 3/20/2022 11:09:03 AM

Testimony for HHH on 3/22/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Deborah G. Nehmad	Individual	Support	Written Testimony Only

Comments:

This bill is a key priority to help solve Hawai'i's child care crisis. It helps the state retain and recruit early childhood educators through a pilot program to increase child care workers' wages. I strongly encourage your support

Mahalo

Deb Nehmad

Hawaii Kai

Submitted on: 3/20/2022 11:10:54 AM

Testimony for HHH on 3/22/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
tia pearson	Individual	Support	Written Testimony Only

Comments:

Our child care system is broken. Families can't afford to pay and child care educators can't afford to stay. Programs rely on child care tuition to stay open and that cost is too high for families to shoulder alone. We need public investment to fund a system that works for children, families, and teachers.

Submitted on: 3/20/2022 2:33:10 PM

Testimony for HHH on 3/22/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Justina Acevedo-Cross	Individual	Support	Written Testimony Only

Comments:

Mahalo for the opportunity to testify in strong support of SB 2701 SD2, relating to early education. This bill seeks to help retain and recruit early childhood educators, especially child care workers. We need to make investments in our early childhood workforce to support children, our working families, and our state. I hope that funding for three years of a pilot can be dedicated so that we can see results after a longer period than one year.

I personally see the struggles that a under-compensated early care and learning workforce faces. I am a parent of a three year old in preschool and his school has faced staffing shortages; recently the lead teacher resigned from her position. In turn that created havoc as a parent because the center needed to temporarily reduce the hours of preschool drop off and pick up because they were short staffed. I firmly believe if educators in all care and learning settings are valued and compensated as they are in other professions for their knowledge and skills, the early care and learning sector would not be having a deeply felt retention problem. The COVID-19 pandemic has shown light on how early care and learning programs support our youngest learners and our working families. Low-compensation has forced dedicated professionals to leave the field and prevented others from joining.

Three key facts about the child care in Hawai'i are:

- \$12.43 The median wage of a child care worker in Hawai'i
- 16% The percent of child care workers in poverty in the state
- 35,000 The estimated number of child care spaces we need to serve all children needing care

In addition, a common barrier to recruiting and retaining students who are pursuing early childhood education courses through higher education is not having money to pay for tuition. There needs to be funding for Hawaii's Early Childhood Educator Stipend Program, whose purpose is to support the early learning workforce by providing financial assistance upfront to eligible individuals taking coursework. Hawaii's Early Childhood Educator Stipend Program was established through Act 210 in 2021 without an appropriation. SB 2701 seeks to fund the Hawaii Early Childhood Educator Special Fund, which will be expended by the Executive Office on Early Learning for Hawaii's Early Childhood Educator Stipend Program. I request that the committee advances this measure to show support for working families and take action to support a much needed staffing recruitment and retention.

Sincerely,

Justina Acevedo-Cross

Submitted on: 3/20/2022 7:48:55 PM

Testimony for HHH on 3/22/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Laura Ramirez	Individual	Support	Written Testimony Only

Comments:

Aloha,

I strongly support SB2701 and urge you to vote yes as we need more good childcare providers available in Hawai'i so that we can work to support our families.

Mahalo,

Laura Ramirez

Kapa'a, Kaua'i

Submitted on: 3/20/2022 9:20:50 PM

Testimony for HHH on 3/22/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Barbara J. Service	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Yamane, Vice Chair Tam and committee members!

Aloha Chair Woodson, Vice Chair Kapela and committee members!

I reside in SD8, HD19 and I'm urging you strongly to support SB2701, establising a program to retain child care workers. There is much evidence to support the importance of early learning. We owe it to keiki to get them off to a good start.

Please pass this bill.

Mahalo for allowing me to submit testimony.

Barbara J. Service MSW (ret), 43 years in Child Welfare and, now, Kupuna Advocate

To: Hawaii State Legislature – Committees on Health, Human Services, & Homelessness and Education

Hearing: Date/Time: Tuesday, 22-Mar-2022 11:00am

Place: Hawaii State Capitol, Room CR 329 & Videoconference

Re: Judith Ann Armstrong is in support of SB2701 (RELATING TO EARLY

EDUCATION.)

Aloha Joint Chairs Ryan I. Yamane and Justin H. Woodson and Joint Vice Chairs Adrian K. Tam and Jeanne Kapela and esteemed members of the Committees of Health, Human Services, & Homelessness and Education

I am writing in support of SB2701 which seeks to address early care and learning workforce funding issues.

Early care and learning programs are the cornerstones of our communities. They support our youngest learners and our working families. But they are facing a crisis. Low-compensation has forced dedicated professionals to leave the field and prevented others from joining. Three key facts about the childcare in Hawai'i are:

- \$12.43 The median wage of a childcare worker in Hawai'i
- 16% The percent of childcare workers in poverty in the state
- 35,000 The estimated number of childcare spaces we need to serve all children needing care

Without support for these programs and the workforce, families will have fewer options for the care and education of their children. In UHERO's economic forecast for the state, economist Carl Bonham noted, "By making early childhood education accessible to more families, these programs will increase labor force participation, particularly among women. They also represent an important investment in the development of the country's future human capital and in the fight against poverty". Growing quality, affordable programs won't happen without ensuring we have the workforce we need and our children deserve.

To ensure the funding for the Early Educator Stipend Program can be delivered successfully, we support the Executive Office on Early Learning's suggested amendments.

I respectfully request the committee support working families and the dedicated early care and learning professionals by voting favorably on SB2701.

Sincerely, Judith Ann Armstrong jaapfg@twc.com Honolulu, HI 96815

Submitted on: 3/21/2022 5:48:13 AM

Testimony for HHH on 3/22/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Moevanu Jameson	Individual	Support	Written Testimony Only

Comments:

Chair, Vice Chair, and committee members,

My name is Moevanu Jameson. I am currently working as a graduate assistant with the Hawai'i Early Childhood Educator Excellence and Equity Project. This project's goal is to transform early childhood education lead teacher preparation programs and compensation/ financing systems. This position has helped me to see the critical nature of up to date early child care workforce data.

Please support SB 2701. This bill seeks to help retain and recruit early childhood educators. We need to make investments in our early childhood workforce to support children, our working families, and our state, because early care and learning programs are the cornerstones of our communities. They support our youngest learners and our working families.

But, as you know, the workforce is struggling. Low-compensation has forced dedicated professionals to leave the field and prevented others from joining. In addition, a common barrier to recruiting and retaining students who are pursuing early childhood education courses through higher education is not having money to pay for tuition.

To begin to address low compensation among early childhood educators, SB 2701, seeks to create a pilot wage subsidy program for child care workers. There also needs to be funding for Hawaii's Early Childhood Educator Stipend Program, whose purpose is to support the early learning workforce by providing financial assistance upfront to eligible individuals taking coursework in early childhood education. Hawaii's Early Childhood Educator Stipend Program was established through Act 210 in 2021 without an appropriation. SB 2701 seeks to fund the Hawaii Early Childhood Educator Special Fund, which will be expended by the Executive Office on Early Learning for Hawaii's Early Childhood Educator Stipend Program.

This is not just an issue for parents and teachers, but it is an issue that effects our community as a whole. Without support for these programs and the workforce, families will have fewer options for the care and education of their children, thus impacting all working class individuals. In UHERO's economic forecast for the state, economist Carl Bonham noted, "By making early childhood education accessible to more families, these programs will increase labor force participation, particularly among women. They also represent an important investment in the development of the country's future human capital and in the fight against poverty".

Growing quality, affordable programs won't happen without ensuring we have the workforce we need and our children deserve. I respectfully request the committee support working families and the dedicated early care and learning professionals by voting favorably on SB 2701.

Thank you,

Moevanu Jameson

Submitted on: 3/21/2022 12:49:39 AM

Testimony for HHH on 3/22/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Tiffany Hirota	Individual	Support	Written Testimony Only

Comments:

Aloha e Members of the Committee,

Thank you for the opportunity to testify in support of SB2701 SD2, relating to early education. This bill seeks to help retain and recruit early childhood educators. We need to make investments in our early childhood workforce to support children, our working families, and our state. Being a mom of three children, we always struggled to find quality care for our children. If it was of quality, it came with a hefty price taking up more than half of our salary. My husband worked two jobs so that we could send our oldest to a licensed day care facility and then I took on two jobs to help pay for our next child. That was four jobs between the two of us and a lot of missed time with our children. We were lucky to receive child tax credits for my youngest son so that we could send him to preschool. It was always a stressful process finding a place for our children that we could trust. The National Research Council and Institute of Medicine (2000) published From Neurons to Neighborhoods and found 10 core principles on the developmental process as cited in the book Scientific Influences on Early Childhood Education: From Diverse Perspectives to Common Practices (Jones & Vecchiotti, 2020). One principle that stuck with me states, "The course of development can be altered in early childhood by effective interventions that change the balance between risk and protection, thereby shifting the odds in favor of more adaptive outcomes" (p. 40). We need more certified individuals with a degree in Early Childhood Education, so that the children of Hawaii can thrive in life and in their education. If we continue to not pay educators in the Early Childhood field what they deserve, we will continue to see teacher shortages in this critical field leaving our children and families to face the consequences. Thank you so much for your time in allowing me to testify in support of SB2701 SD2.

Submitted on: 3/21/2022 6:26:15 AM

Testimony for HHH on 3/22/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ka`iulani Galon	Individual	Support	Written Testimony Only

Comments:

I am writing to support Bill SB2701 because our child care system is broken. Families can't afford to pay and child care educators can't afford to stay. Programs rely on child care tuition to stay open and that cost is too high for families to be asked to confront it alone. We need public investment to fund a system that works for children, families, and teachers. Without it, our nation is sending a direct message that quality childcare is not important and women and children once again should not be an investment. Hawai`i has a dire shortage of child care and early learning programs. In the last 10 years, we have seen a decrease in the number of programs and spaces. The early childhood workforce has shrunk as move professionals leave the field for higher paying jobs. We must invest in a workforce that has been undervalued for too long. In 2020, Hawai'i had an estimated 59,000 kids under 6 needing care and only 24,000 spaces in licensed/regulated programs.

This bill is our step in the right direction. Without affordable and quality childcare, the income gap will grow, unemployment will continue to increase and our reliance on the federal system will become imminent.

Please invest in what will directly effect a sustainable future economically.

Ka`iulani Galon

Submitted on: 3/21/2022 8:44:41 AM

Testimony for HHH on 3/22/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Hannah "Hanakia" Tui	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, and members of the Committee,

My name is **Hannah Hanakia Tui**, and I am a Native Hawaiian resident of Hawaii. **I STRONGLY SUPPORT SB 2701** This bill seeks to address early care and learning workforce a key priority to help solve Hawaiii's child care crisis. It would help the state retain and recruit early childhood educators through a pilot program to increase child care workers' wages.

In closing, please PASS SB 2701. Mahalo for this opportunity to testify on this measure.

Submitted on: 3/21/2022 9:41:57 AM

Testimony for HHH on 3/22/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ashley Caris	Individual	Support	Written Testimony Only

Comments:

Early care and learning programs are the cornerstones of our communities. They support our youngest learners and our working families. But they are facing a crisis. Low-compensation has forced dedicated professionals to leave the field and prevented others from joining. Three key facts about the child care in Hawai'i are:

- \$12.43 The median wage of a child care worker in Hawai'i
- 16% The percent of child care workers in poverty in the state
- 35,000 The estimated number of child care spaces we need to serve all children needing care

The Early Childhood Education field consistently has a high turnover rate with employees. Many education programs lose educated and valuable staff to other careers or trades. I myself have struggled with balancing the need to support my family financially, and pursuing my career in Early Childhood Education. Early Childhood Education is my passion, it's what I went to school for and have a Bachelor's degree in, and it is a field that plays such a vital role in our communities. Without the support of my family members and another job, I would not be able to remain in this field.

Additionally, families can't afford to pay and child care educators can't afford to stay. Programs rely on child care tuition to stay open and that cost is too high for families to shoulder alone. We need public investment to fund a system that works for children, families, and teachers.

Supporting this bill, supports the increase of staff recruitment and retention, as well as quality early childhood education for the keiki of Hawai'i.

DAVID Y. IGEGOVERNOR



CATHY BETTS
DIRECTOR

JOSEPH CAMPOS II
DEPUTY DIRECTOR

STATE OF HAWAII DEPARTMENT OF HUMAN SERVICES

P. O. Box 339 Honolulu, Hawaii 96809-0339

March 21, 2022

TO: The Honorable Representative Ryan I. Yamane, Chair

House Committee on Health, Human Services and Homelessness

The Honorable Representative Justin H. Woodson, Chair

House Committee on Education

FROM: Cathy Betts, Director

SUBJECT: **SB 2701 SD2 – RELATING TO EARLY EDUCATION.**

Hearing: March 22, 2022, 11:00 a.m.

Via Videoconference, State Capitol

<u>DEPARTMENT'S POSITION</u>: The Department of Human Services (DHS) appreciates the SD2 amendments, requests further amendments and clarification, and provides comments. DHS defers to the Executive Office on Early Learning for relevant parts. DHS respectfully requests that any appropriation not reduce or replace priorities identified in the executive budget.

PURPOSE: The purpose of the bill is to establish a 1-year child care worker subsidy pilot program to assist in retaining the existing child care workforce. Appropriates moneys for the pilot program to be expended by the Department of Human Services. Appropriates moneys to be deposited into the early learning special fund and expended by the Executive Office on Early Learning for the Hawaii early childhood educator stipend program. Repeals the pilot program on 7/1/2023. Effective 7/1/2050. (SD2)

The SD1 amended the measure by:

- (1) Clarifying that the purpose of the one-year Early Child Care Worker Subsidy Pilot Program is to retain the existing early child care workforce;
- (2) Amending section 1 to reflect its clarified purpose;
- (3) Clarifying that the pilot program participants shall not be employed by the Department of Education, Executive Office on Early Learning, or public charter schools;
- (4) Making the recipient of the appropriations for the Early Childhood Educator Stipend Program the Early Learning Special Fund, established pursuant to section 302L-5, Hawaii Revised Statutes; and
- (5) Making technical, non substantive amendments for the purposes of clarity and consistency.

The SD2 further amended the measure by:

- (1) Renaming the early child care worker subsidy pilot program the child care worker subsidy pilot program;
- (2) Clarifying that the scope of the pilot program is to serve child care workers;
- (3) Requiring the Department of Human Services to submit interim and final reports on the pilot program;
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (5) Making technical non substantive changes for purposes of clarity, consistency, and style.

The proposed section 2, subsection (b), requires the Department to develop minimum standards and qualifications for participation in the pilot program and identifies minimal requirements. Regarding the requirement to serve five percent of child care workers, we can estimate the current number of child care workers in licensed centers, registered family child care homes, and license-exempt centers (A+ staff) is nearly 6,331. The number of caregivers providing relative care and license-exempt family child care homes is nearly 1,056. However, DHS requires clarification if funds will only be available for up to five percent or five percent is the minimum.

Additionally, the requirement that child care workers include those working in rural areas and child care deserts is ambiguous because there is no easy method to estimate the potential demand for child care in an area as working parents and caregivers make their child care choice based on multiple factors. For example, pre-pandemic, parents used factors such as reliability, available times, staff qualifications, learning activities, location, and costs to

choose child care.¹ However, given COVID-19's impact on the child care industry and low-wage jobs, a small study finds that factors that influence low-income mothers' choice of child care are constricted to their child's safety and financial need or necessity.²

The Department further requests clarification whether the distinction or preference for subsidies to rural areas or child care deserts is the Legislature's priority; these applicants would lose any priority if made to participate in the lottery.

Additionally, to provide a subsidy for one year, the appropriation will have to be large enough to cover the cohort as well as administrative and operational costs; so, it may be prudent to set a target number of child care workers versus a percentage for the first year to calculate the subsidy amount that would be available for the first year. The subsidy would need to be substantial enough to make it worth applying.

The Department requests further clarification on whether the subsidies are intended only for child care workers caring for children 0-5 years old.

Also, DHS does not have subject matter expertise and purview regarding wages; DHS would defer to the private sector to help bring all early childhood educators' pay to, at a minimum, \$17.00 per hour as stated in section 2.

It will be challenging to implement the measure as drafted. Therefore, DHS suggests eliminating or simplifying the minimum program parameters in (b). Child care workers who apply for participation in the pilot program will be selected by lottery, a method which could lead to inequities, which could also cause morale issues if the selection leads to some child care workers in the same facility receiving the subsidy and some not receiving the subsidy.

 $^{^{1}\,\}underline{\text{https://nces.ed.gov/blogs/nces/post/what-do-parents-look-for-when-choosing-an-early-childhood-care-arrangement}$

² Radey, M., Langenderfer-Magruder, L., & Brown Speights, J.(2021)."I don't have much of a choice": Low-income single mothers'COVID-19 schooland care decisions.Family Relations,70(5), 1312–1326.https://doi.org/10.1111/fare.12593, found at https://onlinelibrary.wiley.com/doi/epdf/10.1111/fare.12593.

DHS respectfully requests that the effective date be set after or later than December 31, 2022, to give DHS the time to make the necessary program and system changes and develop administrative processes and rules.

Given the one-time appropriation, the Department suggests an alternative, that these general funds be distributed similarly to the federal child care stabilization grant available to child care facilities through the American Rescue Plan Act (ARPA). To effectuate the federal child care stabilization grant, DHS has developed a process and infrastructure to distribute the ARPA funds. The Department could implement a similar approach. In addition to reducing certain administrative and operational resources needed to develop a new program, providing subsidy funds to child care facilities may encourage workers to stay with a particular program and allow taxes and other necessary deductions to be taken from workers' pay. In addition, child care facilities may have more ability to address staff retention if their staff was compensated equitably versus individually by luck of a lottery. Providing funds through the employers will allow taxes and other necessary deductions to be taken from workers' pay.

The Department's current program demands and efforts are focused on complying with provisions of the federal Child Care and Development Block Grant, which provides approximately \$30 million annually in federal Child Care and Development Fund grants.

Additionally, DHS is in the process of distributing \$70 million in child care stabilization funds appropriated through the American Rescue Plan Act. As the session progresses, DHS will update the resources needed to implement the proposed program.

Lastly, we ask that any appropriation not supplant fiscal priorities identified in the Executive Budget.

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



'O kēia 'ōlelo hō'ike no ke Komikina Kūlana Olakino o Nā Wāhine

Testimony on behalf of the Hawai'i State Commission on the Status of Women

Prepared for the S. Committee on Ways and Means

In Support of S.B. 2701 SD2 March 22, 2022

Dear Chair Yamane, Vice Chair Tam and Honorable Members:

The Hawai'i State Commission on the Status of Women writes in <u>strong support</u> of S.B. 2701 SD2 which establishes and makes an appropriation for an early child care worker subsidy pilot program. The measure also makes an appropriation to the Hawaii Early Childhood Educator Special Fund.

S.B. 2701 SD2 will tackle the worsening gender wage in Hawai'i, disproportionate burden of the COVID-19 pandemic on women, and logistical nightmare of childcare in the State. This pilot compensation program is critical to stem high turnover and shortages in child care workers, who experience higher poverty rates than the general population. This will also provide knowledge on how to design long-term, sustainable childcare in the long-term.

Please pass S.B. 2701 SD2.

Sincerely,

Khara Jabola-Carolus Executive Director

March 21, 2022

To: Representative Ryan I. Yamane, Chair

Representative Adrian K. Tam, Vice-Chair

House Committee on Health, Human Services, and Homelessness

Representative Justin H. Woodson, Chair Representative Jeanne Kapela, Vice Chair House Committee on Education

From: Dr. Terry Lock, Director,

Hawai'i Early Childhood Educator Excellence and Equity Project

University of Hawai'i at Mānoa College of Education

Subject: Measure – SB 2701 SD2

RELATING TO EARLY EDUCATION Hearing Date – March 22, 2022

Time - 11:00 AM

Location: Room 329 and videoconference

My name is Dr. Terry Lock. I am with the University of Hawai'i at Mānoa (UHM) College of Education (COE) and serve as the director of the Hawai'i Early Childhood Educator Excellence and Equity (ECE³) Project. This project's goal is to transform early childhood education lead teacher preparation programs and compensation/ financing systems.

Thank you for the opportunity to testify. I am in strong support of SB 2701 SD2. This bill seeks to help recruit and retain early childhood educators. We need to make investments in our early childhood workforce to support young children, our working families, and our state.

Research has shown that a diverse well-prepared, well-supported, and well-compensated workforce is essential for the delivery of high-quality early childhood programs (Institute of Medicine, 2015). Early care and learning programs are the cornerstones of our communities in Hawai'i. They support our youngest learners and our working families. But for decades, they have been facing a crisis that is only getting worse. Low-compensation has forced dedicated professionals, especially those working in community-based and home-based programs, to leave the field and this has prevented others from joining.

Three key facts about the child care in Hawai'i are: 1) \$12.43 is the median wage of a child care worker; 2) 16% is the percent of child care workers who live in poverty; and 3) 35,000 is the estimated number of child care spaces we need to serve all children needing care

SB 2701 SD2 seeks to create a 1- year pilot wage subsidy program for the early care and learning workforce to be expended by the state Department of Human Services (DHS). The purpose of this pilot wage subsidy program is to prevent existing child care workers from leaving the early care and education field.

Related to low wages, a common barrier to recruiting and retaining students who are pursuing early childhood education degrees in higher education is not having enough money to pay for tuition. Therefore, there needs to be funding for Hawai'i's Early Childhood Educator Stipend Program, whose purpose is to support the early learning workforce by providing financial assistance upfront to eligible individuals taking coursework in early childhood education. Hawai'i's Early Childhood Educator Stipend Program was established through Act 210 in 2021 without appropriation.

I am in support of appropriations for the Early Learning Special Fund to be expended by the Executive Office on Early Learning for Hawai'i's Early Childhood Educator Stipend Program.

Without support for the child care worker wage subsidy pilot program and Hawai'i's Early Childhood Educator Stipend Program in SB 2701 SD2, families will have fewer options for the care and education of their children. Expanding quality, affordable early care and learning programs will not happen without ensuring we have the workforce we need and our children deserve.

Thank you for the opportunity to provide testimony in strong support of SB 2701 SD2.

Respectfully submitted,

Dr. Terry Lock

Submitted on: 3/21/2022 11:50:03 AM

Testimony for HHH on 3/22/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jennifer Kagiwada	Individual	Support	Written Testimony Only

Comments:

Please pass SB2701 to support families, children and the ECE workforce.

Submitted on: 3/21/2022 11:57:19 AM

Testimony for HHH on 3/22/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Mai Hall	Individual	Support	Written Testimony Only

Comments:

As a former preschool teacher, I am in support of providing much-deserved compensation for the profession of early childhood education. To acknowledge that we have kuleana to the youngest of learners, to employ our pedagogy to the growth of young minds, and to demonstrate compassion to the field is evidenced by the commitment of our colleagues to remain educators. Often, we are not compensated enough to remain in the field, and to our chagrin, we leave the field and our passion to serve keiki. I am confident that with more support from bills such as this, and respect from the community, the field of early childhood education will grow for the betterment of our most vulnerable keiki.

Submitted on: 3/21/2022 12:00:40 PM

Testimony for HHH on 3/22/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Carla Allison	Individual	Support	Written Testimony Only

Comments:

I strongly support SB2701. It will help the state retain and recruit early childhood educators through a pilot program to increase child care workers' wages. Hawaii needs more early childhood educators.

Please support SB2701.

Thank you,

Carla Allison

Submitted on: 3/21/2022 12:54:55 PM

Testimony for HHH on 3/22/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Liza Ryan Gill	Individual	Support	Written Testimony Only

Comments:

Dear Chairs and Committee Members,

It is critical that we support early education and childcare workers in Hawai'i. There are currently approx. 20,000 childcare spots open for the 60k+ kids that need them. This is because the profit margins on running a childcare center are razor thin. At the same time, most working families in Hawai'i cannot afford the high cost of putting their kid(s) in a center. In order for their to be an equitable recovery to this pandemic there needs to be substantial investment in the early education and childcare industry. We need the state to step in and provide subsidies to childcare professionals so that they can make a living wage and so that parents are not priced out of the market.

When my baby was 3 months old we started looking for daycare for her. We put ourselves on a waitlist at all of the spaces that would allow it, and only got a spot when she was 11months old. I was unable to go back to full time work during that time b/c we couldn't find consistent care.

The United States currently ranks 40th in the world in its investment in childcare. If we say we value our keiki we need to start reflecting that in our actions and budgets.

Mahalo,

Liza Ryan Gill

Submitted on: 3/21/2022 3:27:18 PM

Testimony for HHH on 3/22/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Erica Yamauchi	Individual	Support	Written Testimony Only

Comments:

I support this bill as a working mother of two children. We must do more to retain and recruit early childhood educators and increase child care workers' wages.

Erica Yamauchi, Kaimukī/Wilhelmina Rise