

Honolulu, Hawaii

MAY 11 , 2020

RE: S.B. No. 3014  
S.D. 2  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committees on Lower & Higher Education and Labor & Public Employment, to which was referred S.B. No. 3014, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO ON-SITE EARLY CHILDHOOD FACILITIES, "

beg leave to report as follows:

The purpose of this measure is to:

- (1) Establish an income tax credit for employers who create on-site early childhood facilities; and
- (2) Establish and appropriate funds for an on-site early childhood facility coordinator position to assist with licensure and accreditation requirements, work with providers, and ensure appropriate facility design of on-site early childhood facilities established by employers in the State.

Your Committees received testimony in support of this measure from the Hawaii Community Foundation. Your Committees received comments on this measure from the Department of Taxation, Department of Human Services, and Executive Office on Early Learning.



Your Committees find that the cost of child care in Hawaii is among the highest in the nation, requiring some parents to remain at home with their children because of the high cost of child care. Your Committees further find that employers who create on-site early childhood facilities see greater employee retention and performance, lower absenteeism, and a more productive and positive workplace environment. This measure will help parents address concerns of child care costs and provide more opportunities for access to early childhood learning programs by providing an income tax credit for employers who create on-site early childhood facilities.

Your Committee has amended this measure by changing the effective date to July 1, 2051.

Should your Committee on Finance decide to hear this measure, your Committees respectfully request that it consider the comments raised in the Department of Taxation's testimony regarding designating a certifying agency for the on-site early childhood facility tax credit and whether the tax credit is intended to be refundable or nonrefundable.

As affirmed by the records of votes of the members of your Committees on Lower & Higher Education and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3014, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3014, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committees on Lower & Higher  
Education and Labor & Public  
Employment,



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AARON KING JOHANSON, Chair



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JUSTIN H. WOODSON, Chair



Record of Votes of the Committee on Lower & Higher Education

Bill/Resolution No.: <b>SB 3014 SD2</b>	Committee Referral: <b>LHE/LAB, FIN</b>	Date: <b>3/13/2020</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LHE Members	Ayes	Ayes (WR)	Nays	Excused
1. WOODSON, Justin H. (C)	✓			
2. HASHEM, Mark J. (VC)	✓			
3. QUINLAN, Sean (VC)	✓			
4. DeCOITE, Lynn	✓			
5. JOHANSON, Aaron Ling	✓			
6. KOBAYASHI, Dale T.	✓			
7. MORIKAWA, Dee	✓			
8. OHNO, Takashi	✓			<i>WML MXX</i>
9. TARNAS, David A.	✓			
10. TOKIOKA, James Kunane	✓			
11. OKIMOTO, Val	✓			
<b>TOTAL (11)</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>0</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <i>Mark J. Hashem</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				

**Record of Votes of the Committee on Labor & Public Employment**

Bill/Resolution No.: <b>SB 3014 SD2</b>	Committee Referral: <b>LHE/LAB, FIN</b>	Date: <b>3-13-20</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="checked" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. JOHANSON, Aaron Ling (C)	✓			
2. ELI, Stacelynn K.M. (VC)	✓			
3. ICHiyAMA, Linda	✓			
4. KITAGAWA, Lisa	✓			
5. McKELVEY, Angus L.K.				✓
6. QUINLAN, Sean	✓			
7. YAMASHITA, Kyle T.	✓			
8. MATSUMOTO, Lauren	✓			
TOTAL (8)	7			1
The recommendation is: <input checked="checked" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation.				
committee acronym(s)				
Vice Chair's or designee's signature: <i>[Signature]</i>				
Distribution: Original (White) – Committee      Duplicate (Yellow) – Chief Clerk's Office      Duplicate (Pink) – HMSO				