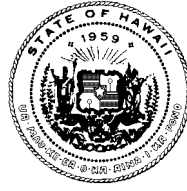


JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



CATHY BETTS  
DIRECTOR  
KA LUNA HO'OKELE

JOSEPH CAMPOS II  
DEPUTY DIRECTOR  
KA HOPE LUNA HO'OKELE

STATE OF HAWAII  
KA MOKU'ĀINA O HAWAI'I  
**DEPARTMENT OF HUMAN SERVICES**  
KA 'OIHANA MĀLAMA LAWELAWE KANAKA  
P. O. Box 339  
Honolulu, Hawaii 96809-0339

April 2, 2023

TO: The Honorable Senator Donovan M. Dela Cruz, Chair  
Senate Committee on Ways and Means

FROM: Cathy Betts, Director

SUBJECT: [HB 961 HD1 SD1](#)– RELATING TO EARLY LEARNING

HEARING: Tuesday, April 4, 2023, 10:30 a.m.  
Conference Room 211 & Videoconference, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) supports this bill, provides comments, and defers to the Executive Office on Early Learning regarding the Public Pre-Kindergarten program. DHS respectfully requests that any appropriation to implement an expanded Preschool Open Doors program be included in the executive budget.

**PURPOSE:** The bill appropriates funds for the Preschool Open Doors Program and Executive Office on Early Learning to expand access to preschool and implement program changes required by previous acts. Expands the types of entities from which a Preschool Open Doors service provider may obtain accreditation. Expands the Preschool Open Doors Program application process to eligible three-year-old children. Authorizes the Preschool Open Doors Special Fund to accept federal funds. Effective 7/1/2050. (SD1)

The HD1 amended this measure by:

- (1) Clarifying that the Preschool Open Doors Program application process shall be open to eligible three-year-old children;
- (2) Changing the effective date to June 30, 3000, to encourage further discussion; and

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

The SD1 amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

Regarding Part II, Section 3, given the continuing economic impacts of COVID-19 on child care facilities’ ability to maintain sufficient staff levels, DHS suggests the Legislature consider amending section 346-184 (a), HRS, to change the accreditation requirement to be voluntary until the child care workforce is more stabilized or subsidized.

Regarding Part III, Section 5, HB 300 HD1 SD1 appropriates funds to support expanding the Preschool Open Doors program to serve eligible three-year-old children as a permanent program. The appropriation breaks down as follows:

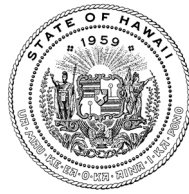
	Four-year-olds – current budget	Three-year-olds – new	Increased subsidy rate	New appropriation
Annual Subsidies	\$11,600,000	11,600,000	\$27,200,000	\$38,800,000
Annual Expand POD Contracts	536,000	536,000		536,000
One-time IT Modification		500,000		500,000
			Total for FY2024-2025	\$39,855,000
			Total for FY2025-2026	\$39,355,000

DHS respectfully asks for the Legislature's support of the appropriation through the executive budget bill HB 300 HD1 SD1.

To implement the expanded program, DHS will need time to draft and amend administrative rules and make needed system modifications.

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

JOSH GREEN, M.D.  
GOVERNOR



LUIS P. SALAVERIA  
DIRECTOR

SABRINA NASIR  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII  
DEPARTMENT OF BUDGET AND FINANCE  
*Ka 'Oihana Mālama Mo'ohelu a Kālā*  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

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

**WRITTEN ONLY**  
TESTIMONY BY LUIS P. SALAVERIA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
HOUSE BILL NO. 961, H.D. 1, S.D. 1

**April 4, 2023**  
**10:30 a.m.**  
**Room 211 and Videoconference**

RELATING TO EARLY LEARNING

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

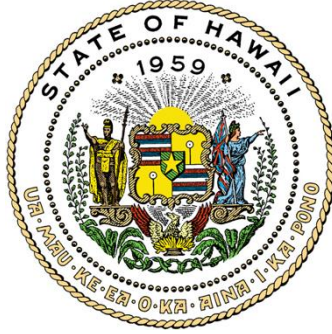
House Bill No. 961, H.D. 1, S.D. 1: 1) amends Section 346-184, HRS, to remove the requirement that Preschool Open Doors (POD) providers accredited through a national early learning accrediting organization not specifically listed in the section be comparable to the organizations listed; 2) amends Section 302L-7, HRS, to expand the Executive Office on Early Learning's pre-kindergarten program to include three-year-old children and to modify the application process' prioritization criteria to reflect the program expansion; 3) amends Section 346-181, HRS, to restore language relating to the service of three-year-olds and POD priority categories; 4) amends Section 346-182, HRS, to allow federal funds to be deposited into the POD Special Fund (PODSF); and 5) amends Act 210, SLH 2021, to remove the sunset date on amendments made to Section 346-181, HRS. The measure also appropriates an undetermined amount of general funds in FY 24 and FY 25 to be deposited into the PODSF and appropriates an undetermined amount of special funds out of the PODSF in FY 24 and FY 25 for the

Department of Human Services to cover POD staff, staff benefits, and system modifications.

B&F does not support the inclusion of language to allow the deposit of federal funds into the PODSF. Federal funds should be kept separate from other types of funds for compliance and reporting purposes. Further, the purpose of a federal grant may not be totally aligned with the statutory uses of the PODSF.

Additionally, B&F notes that the FB 2023-25 Executive Biennium Budget, as amended by the Green Administration, includes providing \$500,000 in general funds in FY 24 to implement POD system modifications and increasing POD funding by \$38,800,000 in general funds in FY 24 and FY 25 to expand program coverage to three-year-olds and increase monthly voucher payments.

Thank you for your consideration of our comments.



OFFICE OF THE LIEUTENANT GOVERNOR  
*Ke Ke'ena O Ka Hope Kia'aina*

TO: Chair Donovan Dela Cruz  
Vice Chair Gilbert Keith-Agaran  
Members of the Senate Committee on Ways and Means

FROM: Sylvia Luke, Lieutenant Governor

RE: Testimony for H.B. 961 – Relating to Early Learning

DATE: April 4, 2023

Thank you for the opportunity to provide testimony in **strong support of H.B. 961** which appropriates funds for the Preschool Open Doors Program and the Executive Office on Early Learning to expand access to preschool, expands accreditation opportunities, and authorizes the acceptance of federal funds.

Access to preschool is a social justice issue for our state and we know that children who attend high-quality preschool are much better prepared for success. Together with our public, private, and non-profit sector partners, we recently launched the Ready Keiki initiative, the administration's multi-faceted plan to expand high-quality childcare and preschool for 3- and 4-year-olds by 2032. We are focused on ensuring our keiki are ready when they start Kindergarten and creating economic stability for families who are returning to the workforce. Ready Keiki's success is contingent upon a multi-pronged approach which includes building and refurbishing classrooms, creating teaching pathways for educators, and expanding the Preschool Open Doors program for low- and moderate-income families. The amendments proposed in H.B. 961 are critical to ensuring that we maximize federal funding and opportunities to provide enough classrooms at an affordable price to economically disadvantaged keiki.

Thank you for the opportunity to provide testimony in strong support of H.B. 961.



# UNIVERSITY OF HAWAII SYSTEM

## ‘ŌNAEHANA KULANUI O HAWAII

### Legislative Testimony

### Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the  
Senate Committee on Ways and Means  
Tuesday, April 4, 2023, at 10:30 a.m.

By

Debora Halbert  
Vice President for Academic Strategy  
University of Hawai'i System

#### HB 961 HD1 SD1 – RELATING TO EARLY LEARNING

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

Thank you for the opportunity to testify on HB 961 HD1 SD1. The University of Hawai'i (UH) supports the Legislature's intent to expand access to affordable and quality early care and education opportunities to three-year-olds across the State.

Currently, only four-year-olds and children in the year prior to entering kindergarten are eligible to participate and enroll in the Executive Office on Early Learning's (EOEL's) public pre-kindergarten (PreK) program and Department of Human Services' (DHS) Preschool Open Doors (POD) child care subsidy program. This bill would expand the age-eligibility of EOEL's PreK program and DHS' POD child care subsidy program to include three-year-olds, thus increasing access to these programs and easing the financial burden many families face when accessing early learning opportunities.

UH is working collaboratively with stakeholders, including DHS, EOEL, the School Facilities Authority (SFA), and the Department of Education (DOE), to increase the availability of early care and education programs on a number of UH campuses. And while we are still developing how these facilities and programs can be sustained, we believe that State support of early childhood programs and facilities – wherever they may be located – are valuable to advancing educational development and learning for Hawai'i keiki.

We appreciate the Legislature's intention to provide financial assistance for more families to access affordable and quality early care and education and defer to DHS and EOEL regarding the implementation and provisions of the sections of the bill that are pertinent to the respective offices.

Mahalo for the opportunity to submit testimony on this bill.



**STATE OF HAWAII**  
**Executive Office on Early Learning**  
2759 South King Street  
HONOLULU, HAWAII 96826

April 3, 2023

**TO:** Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair  
Senate Committee on Ways and Means

**FROM:** Yuuko Arikawa-Cross, Director  
Executive Office on Early Learning

**SUBJECT:** **Measure:** H.B. No. 961 H.D. 1 S.D. 1 – RELATING TO EARLY LEARNING  
**Hearing Date:** Tuesday, April 4, 2023  
**Time:** 10:30 am  
**Location:** Conference Room 211

**EXECUTIVE OFFICE ON EARLY LEARNING'S POSITION: Support**

EOEL supports H.B. No. 961 H.D. 1 S.D. 1 and defers to the Department of Human Services (DHS) as it pertains to sections regarding the Preschool Open Doors program.

EOEL is committed to increasing access to affordable and high-quality early learning opportunities. The EOEL Public Pre-Kindergarten Program currently provides free public pre-kindergarten options in 37 classrooms across 34 Department of Education (HIDOE) campuses to 4-year-olds. EOEL supports expanding the EOEL Public Pre-K program to 3-year-olds.

We appreciate the Legislature's efforts to provide financial assistance to more families and support increasing access to affordable high-quality early learning opportunities.

Thank you for the opportunity to testify on this bill.

TO: Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran Vice Chair  
Senate Committee on Ways and Means

FROM: Robert G. Peters, Chair  
Early Learning Board

SUBJECT: Measure: H.B. No. 961 H.D. 1, S.D.1 – RELATING TO EARLY LEARNING  
Hearing Date: Tuesday, April 4, 2023  
Time: 10:30 am  
Location: Conference Room 211 & Videoconference

**EARLY LEARNING BOARD POSITION: Support**

The Early Learning Board supports H.B. No. 961 H.D. 1, S.D. 1 and defers to the Executive Office on Early Learning and the Department of Human Services (DHS) as it pertains to pertinent sections of the bill.

H.B. No. 961 H.D. 1, S.D. 1 aligns with two of the Board’s policy priorities for this legislative session:

- Expand access and opportunity to quality early learning and care ...in both public and private sectors; and,
- Provide child care financial assistance for families/providers.

The ELB supports EOEL’s commitment to increasing access to affordable and high-quality early learning opportunities. The EOEL Public Pre-Kindergarten Program currently provides free public pre-kindergarten options on 37 classrooms across 34 Department of Education (HIDOE) campuses to 4-year-olds. ELB supports expanding the EOEL Public Pre-K program to 3-year-olds.

We also appreciate the Legislature’s intention to provide financial assistance to more families to support access to affordable high-quality early learning opportunities and defer to the Department of Human Services regarding the Preschool Open Doors program.

The ELB continues to support the efforts of EOEL working with its partners, such as the School Facilities Authority, DHS, the HIDOE, and other early learning stakeholders to bring the goals pursuant to Act 046, SLH 2020, to fruition. We look forward to continuing to work with the Legislature to support increasing access to affordable quality early learning programs and services in the State.

Thank you for the opportunity to testify in support of H.B. 961 H.D. 1, S.D. 1.



Date: March 31, 2023

To: Senate Committee on Ways and Means  
Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair

From: Early Childhood Action Strategy

Re: Support for **HB961 HD1 SD1**, Relating to Early Learning

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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 HB961 HD1 SD1**, which would appropriate funding for the Preschool Open Doors Program (POD) and Executive Office on Early Learning (EOEL) to expand access to preschool and to implement program changes to facilitate this expansion.

There are over 35,000 preschool-age children 3-4 years old in Hawaii. Unfortunately, limited availability and capacity of programs, high costs and unaffordable rates, and insufficient financial supports significantly restrict families' access to preschool opportunities for their keiki. Presently, POD provides key financial assistance to enable about 1,400 4-year-olds to attend preschool. Expanded POD funding and adjusted age-eligibility for the program to include 3-year-olds is critical to enabling additional children to attend preschool and benefit from the quality early learning experiences that will prepare them for kindergarten and later success in school and life.

Expansion of POD, in particular, supports a strong element of family choice into public preschool expansion efforts. POD provides families with access to a diversity of community-based preschool programs that meet a wide range of potential child and family needs and preferences, such as the need for full-day, full-year services that support working families. We hope you will support a combined approach to building out publicly-funded access to preschool through a **healthy expansion of the POD program**.

To successfully support increased access to preschool through POD, we note the following changes to POD requirements and administrative rules will also be crucial:

- **change of POD quality accreditation requirements to be voluntary**, until child care programs and workforce capacity are more stable, **or extension of the timeframes** by which programs must become accredited
- **increase of POD provider reimbursement rates**, based on local cost-estimation studies/modelling, so they more accurately support the true expenses associated with quality, accredited preschool care
- **change to the POD reimbursement policy such that POD providers may receive the full rate**, regardless of their tuition rates for non-POD families, which are often suppressed based on what families can afford
- **increase of POD income-eligibility caps** to be more inclusive of middle-income families, who also face significant financial barriers to accessing preschool for their children, and **reduction of the co-payment burden** on all families

These changes could be accomplished through additional provisions to this bill or through an expedited rule-change process, to be completed by the start of implementation.

With regards to the potential expansion of eligibility for **EOEL's public prekindergarten** program to 3-year-olds, we emphasize the importance of developmentally-appropriate standards and differentiated services for this younger age group and respectfully request consideration for the additional supports and resources that may be required by EOEL to adapt and expand services and implement mixed-age classrooms appropriately.

Thank you for this opportunity to provide testimony **in support of HB961 HD1 SD1**.



Committee on Ways and Means  
Senator Donovan Dela Cruz, Chair  
Senator Gilbert Keith-Agaran, Vice Chair

April 4, 2023

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

We support HB 961 HD1, SD1, which appropriates moneys to the Department of Human Services for the Preschool Open Doors program and Executive Office on Early Learning (EOEL) to expand access to preschool and to implement program changes required by previous acts.

We support all approaches to increase access to quality early learning seats in our system. Hawai'i has a mixed delivery of early learning opportunities and we are thrilled that the legislature is expanding access to include three-year-olds to both the Preschool Open Doors program and EOEL classrooms.

Hui for Excellence in Education, or "HE'E," promotes a child-centered and strength-based public education system in which families, communities and schools are valued and empowered to help every student succeed. HE'E works to bring diverse stakeholders together to harness collective energy, share resources, and identify opportunities for progressive action in education.

Thank you for the opportunity to testify. Our support represents at least a 75% consensus of our voting membership.

Sincerely,

Cheri Nakamura  
HE'E Coalition Director



Academy 21  
American Civil Liberties Union  
Alliance for Place Based Learning  
Castle Complex Community Council  
Coalition for Children with Special Needs  
Education Institute of Hawai'i  
\*Faith Action for Community Equity  
Fresh Leadership LLC  
Girl Scouts Hawaii  
Harold K.L. Castle Foundation  
\*HawaiiKidsCAN  
\*Hawai'i Afterschool Alliance  
\*Hawai'i Appleseed Center for Law and Economic Justice  
\*Hawai'i Association of School Psychologists  
Hawai'i Athletic League of Scholars  
\*Hawai'i Children's Action Network  
Hawai'i Nutrition and Physical Activity Coalition  
Hawai'i Scholars for Education and Social Justice  
\* Hawai'i State PTSA  
Hawai'i State Student Council  
Hawai'i State Teachers Association  
Hawai'i P-20  
Hawai'i 3Rs  
Head Start Collaboration Office  
It's All About Kids  
\*INPEACE  
Joint Venture Education Forum  
Junior Achievement of Hawaii  
Kamehameha Schools  
Kanu Hawai'i  
Kaua'i Ho'okele Council  
Keiki to Career Kaua'i  
Kupu A'e  
\*Leaders for the Next Generation  
Learning First  
McREL's Pacific Center for Changing the Odds  
Native Hawaiian Education Council  
Our Public School  
\*Pacific Resources for Education and Learning  
\*Parents and Children Together  
\*Parents for Public Schools Hawai'i  
Special Education Provider Alliance  
\*Teach for America  
The Learning Coalition  
US PACOM  
University of Hawai'i College of Education  
\*Youth Service Hawai'i

*Voting Members (\*) Voting member organizations vote on action items while individual and non-voting participants may collaborate on all efforts within the coalition.*



**Parents And  
Children Together**

**BUILDING THE RELATIONSHIPS  
THAT MATTER MOST**

ParentsAndChildrenTogether.org

## **TESTIMONY IN SUPPORT OF HB 961 HD1 SD1**

**TO:** Chair Dela Cruz, Vice-Chair Keith-Agaran, & Members,  
Senate Committee on Ways and Means  
**FROM:** Ryan Kusumoto, President & CEO  
**DATE:** April 4, 2023 at 10:30 AM

**Parents and Children Together (PACT) supports HB 961 HD1 SD1 Relating to Early Learning**, which appropriates funds to the Department of Human Services for the preschool open doors program to expand access to preschool and to implement program changes required by previous acts. Given the legislature's and community's continued priority of creating access to high-quality early care and learning programs, we must continue to ensure that families can afford care. We believe that it is critically important for every child to have access to safe, high-quality care and the Preschool Open Doors (POD) subsidy program provides an important avenue for that to happen.

Founded in 1968, PACT is a statewide community-based organization providing a wide array of innovative and educational social services to families in need. Assisting more than 15,000 people across the state annually, we help identify, address, and successfully resolve challenges through our 20 programs. Among our services are early education programs, domestic violence prevention and intervention programs, child abuse prevention and intervention programs, childhood sexual abuse supportive group services, child and adolescent behavioral health programs, sex trafficking intervention, poverty prevention and community building programs.

As a provider of Early Head Start and Head Start classrooms on Oahu and Hawaii Island, we see firsthand the importance of POD subsidies for parents and caregivers. These subsidies often help families to enroll their children in and cover the cost of full-day (8hr) and/or extended day (10hr) programs, which allows parents/caregivers to be able to work full-time jobs. Many of our families benefit from the POD subsidy program and express their gratitude for the existence of the program.

Thank you for the opportunity to testify. Please contact me at (808) 847-3285 or [rkusumoto@pacthawaii.org](mailto:rkusumoto@pacthawaii.org) if you have any questions.



April 4, 2023

TO: Senator Donovan Dela Cruz, Chair  
Senator Gil Keith-Agarann, Vice Chair  
and Members of the Senate Committee on Ways and Means

FROM: Kerrie Urosevich, Co-Chair  
Commit to Keiki

RE: H.B. 961 HD1 SD1  
Relating to Early Learning

Commit to Keiki strongly supports House Bill (HB) 961 HD1 SD1, Relating to Early Learning. HB 961 HD1 SD1 provides additional funding to the Department of Human Services' Preschool Open Doors (POD) program to expand POD to serve 3 year olds.

Presently, POD provides critical financial assistance to enable about 1,400 4 year olds to attend preschool. Expanding POD to 3 year olds will enable additional children to attend preschool so that they will be better prepared for kindergarten and lifelong learning.

Thank you for allowing Commit to Keiki to provide testimony on this important measure.

Commit to Keiki, a project of the Early Childhood Action Strategy, is a public-private collaborative to ensure that Hawai'i's youngest children (birth to 5 years old) and their families have a brighter start. Early Childhood Action Strategy is a project under Collaborative Support Services, Inc. Led by a diverse Steering Committee, with representatives from Hawai'i business, education, early intervention, nonprofit and philanthropic organizations, Commit to Keiki serves as a trusted partner and reliable resource for information on issues related to Hawai'i's youngest keiki and families.

**HB-961-SD-1**

Submitted on: 4/2/2023 1:59:30 PM

Testimony for WAM on 4/4/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Michael Golojuch Jr	Testifying for Stonewall Caucus of the Democratic Party of Hawai'i	Support	Written Testimony Only

Comments:

Aloha Senators,

The Stonewall Caucus of the Democratic Party of Hawai'i; Hawai'i's oldest and largest policy and political LGBTQIA+ focused organization fully supports HB 961 HD 1.

The Caucus wants to be assured that any schools that avail themselves of these funds must be treated as a public accommodation.

We hope you all will support this important piece of legislation.

Mahalo nui loa,

Michael Golojuch, Jr.  
Chair and SCC Representative  
Stonewall Caucus for the DPH



# Kamehameha Schools®

Senate Committee on Ways and Means

Time: 10:30 a.m.

Date: April 4, 2023

Where: Conference Room 211

## TESTIMONY

By Dr. Wai‘ale‘ale Sarsona  
Kamehameha Schools

**RE: HB 961, HD1, SD1, Relating to Early Learning**

E ka Luna Ho‘omalua Dela Cruz, ka Hope Luna Ho‘omalua Keith-Agaran, a me nā lālā o ke Kōmike o nā Loa‘a a me nā Ho‘olilo o ka ‘Aha Kenekoa, aloha kākou. My name is Dr. Wai‘ale‘ale Sarsona, Vice President of Hi‘ialo at Kamehameha Schools.

Kamehameha Schools **supports** HB 961, HD1, SD1, which appropriates moneys for the Preschool Open Doors Program and the Executive Office on Early Learning to expand access to preschool and to implement program changes required by previous acts. This measure also expands the types of entities from which a Preschool Open Doors service provider may obtain accreditation, expands the Preschool Open Doors Program application process to eligible three-year-old children, authorizes the preschool open doors special fund to accept federal funds, and appropriates moneys.

The enactment of Act 46 (2020) launched Hawai‘i on a path forward to ensure that every three- and four-year-old has access to early learning by year 2032. We are still recovering from the negative impacts of the pandemic in this sector, which resulted in the statewide decrease in capacity to provide childcare by 12%, including 2,850 fewer preschool seats. Our keiki cannot afford to lose any more.

The cost of full-time childcare remains a top three expense for so many ‘ohana across Hawai‘i. The average annual cost of childcare in Hawai‘i for a 4-year-old is \$8,937, or \$745 each month. Expanding access to the Preschool Open Doors program (POD), increasing funding to POD, and making necessary changes to the law will ensure that more three- and four-year-old keiki in need will have access to quality early learning. **Please advance this measure.**

Founded in 1887, Kamehameha Schools is an educational organization striving to restore our people through education and advance a thriving Lāhui where all Native Hawaiians are successful, grounded in traditional values, and leading in the local and global communities. We believe that community success is individual success, Hawaiian culture-based education leads to academic success and local leadership drives global leadership. Hānai i ke keiki; ola ka lāhui.

‘A‘ohe ‘ulu e loa‘a i ka pōkole o ka lou. There is no success without preparation.





TO: The Honorable Donovan M. Dela Cruz, Chair  
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair  
Committee on Ways and Means

FROM: Philip Bossert, Executive Director  
Hawaii Association of Independent Schools

RE: **HB 961 HD1 SD1 - Relating to Early Learning  
In Strong Support with Request for Amendment**

DATE: Tuesday, April 4, 2023  
10:30 a.m.; Conference Room 211 & Videoconference

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee:

The Hawaii Association of Independent Schools (HAIS) and its subsidiary, the Hawaii Council of Private Schools (HCPS), strongly supports HB 961 HD1 SD1. Funding for the Open Doors program is an important resource for Hawaii families in providing early childhood education opportunities for their children.

HAIS also strongly supports the expansion of the types of organizations from which Open Doors service providers may obtain accreditation. In particular, we believe that accreditation by HAIS should be recognized by DHS as an authorized accrediting organization for those preschools that are attached to private K-12 schools in Hawaii. HAIS currently serves 114 independent PK-12 schools and over 33,000 students in Hawai'i, and currently 59 of those schools host preschool programs. HAIS does not and would not in the future accredit preschools that are not affiliated with HAIS member institutions. A requirement of HAIS accreditation of its preschools is that they must be licensed by DHS.

A similar bill currently in the House, SB 239 SD2 HD2, has added HAIS as a recognized accrediting agency to the DHS list and HAIS requests that this bill be amended also to add HAIS to the list of accrediting agencies recognized by DHS. This will save the 59 HAIS accredited preschools the time, money and effort of also having to go through the accreditation process of a mainland-based accrediting agency.

Preschools affiliated with HAIS member institutions do not receive state funds. The Open Doors program provides funding for parents, not for schools. Some parents may choose a preschool affiliated with an HAIS member institution for their child, but the state funds do not come to preschool.

In 1996, the legislature transferred responsibility for the licensing of private schools to HAIS and its subsidiary, HCPS. This licensing process ensures on an annual basis that every PK-12 private school is in compliance with the health and safety requirements of all federal and state agencies, including DHS. In addition, for those schools which seek a higher level of educational program verification and recognition, the HAIS accreditation process provides a much more rigorous protocol of compliance and review, one that is recognized and accepted by the Western Association of Schools and Colleges (WASC). The HAIS accreditation protocol includes a comprehensive self-study process and a three to five day visit to the school by a team of educators from other private schools in Hawaii and California with comparable programs to verify the information provided in the self-study document. We believe that this protocol and process is in line with those of the accrediting agencies already on the DHS approved list.

Thank you for the opportunity to provide this testimony and respectfully request HAIS's inclusion as a recognized accrediting agency by DHS. We would be happy to answer any questions you may have.

To: Senator Dela Cruz, Chair  
Senator Keith-Agaran, Vice Chair  
Senate Committee on Ways and Means

Re: HB961 HD1 SD1, relating to early learning  
10:30 a.m., Apr. 4, 2023

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and committee members:

On behalf of Hawai'i Children's Action Network (HCAN) Speaks!, mahalo for the opportunity to testify. **HCAN Speaks! supports House Bill 961 HD1 SD1 and respectfully requests amendments.**

According to the Hawai'i KIDS COUNT, there were approximately 82,785 children under the age of 5 in 2021. There are, however, spaces for only 24,906 keiki in regulated child care settings and general education public pre-kindergarten classrooms. The shortage gets more acute the younger the child is.

This shortage of early childhood care and education programs from birth to kindergarten-entry can be tied directly to the unworkable economics of child care. **Early childhood care and education providers operate on razor-thin margins where the workforce is significantly underpaid. Meanwhile, families pay an average of \$13,500 annually to send their 3- and 4-year-old keiki to a licensed child care center.** Families and providers cannot shoulder anymore burden; they need support. **Public investment is necessary.**

Quality early learning opportunities have lifelong positive impacts for children and their families. The work early childhood care and education professionals do sets keiki up for critical social and emotional skills, motor development, math, literacy and critical thinking. Additionally, parents and caregivers are able to work outside the home when they have safe and nurturing environments for their keiki. **All Hawai'i families deserve access to these experiences. They also deserve for this access to be truly meaningful.**

As mentioned above, one of the largest barriers for families is cost. This is why **any effort to build a truly universal system needs to ensure free or very low-cost early childhood care and education programs available to all families.** Preschool Open Doors is one way that the Legislature can provide investments in community-based programs while ensuring families' costs remain low, ensuring meaningful access.

**We strongly support the expansion of the Preschool Open Doors to include 3-year-olds.** We also **support the amendments to Preschool Open Doors prioritization** that are included in this bill.

We understand that Preschool Open Doors expansion is meant to increase reimbursement for providers as well as eligibility for families. We believe it is prudent the State Legislature set this intent via statute. Additionally, we ask that this committee consider the practical realities of how both early learning providers and families access Preschool Open Doors funds. We want to make sure that the intent of expansion can be practically achieved.

**Thus, we respectfully request committee members amend the measure to include the following additional provisions:**

- Currently DHS pays providers at a rate set in 2013. We need payment rates reviewed regularly, like is standard for Child Care Connection Hawai'i. We request this committee add the following requirement to section 346-181, Hawaii Revised Statutes so that payment rates can keep up with the market and inflation: The department shall adjust child care payment rates for providers a minimum of once every two years based on either a true cost of care or cost estimation model;
- Providers balance setting a tuition rate as high as they can to cover fixed costs and wages with what families can afford out of pocket. If the reimbursement rate is set at a rate higher than the tuition rate for non-subsidy families can afford, providers—as a practical reality—would not be able to access the additional monies. Any hope that providers would be able to increase wages through higher child care payment rates would go unrealized without explicit clarification. To alleviate this problem, we request that the committee add the following requirement to section 346-181, Hawaii Revised Statutes: The department shall not cap payment by a provider's tuition rate for non-subsidy families and shall instead use the amount set by true cost of care or cost estimation study;
- As stated above, we believe nearly all of Hawai'i's families deserve access to low- or no-cost programs. We recognize that providing supports via Preschool Open Doors will be costly. We recommend this committee add a reporting requirement section to the bill so that it can make informed decisions on the future about expanding funding for Preschool Open Doors to reach even more families: The department shall report the budget impacts as well as impacts to overall family and provider economic self-sufficiency that increasing eligibility levels to include middle income families would have. The department may contract a third party to conduct this study in accordance with chapter 103D of the Hawaii Revised Statute;
- We understand that DHS is recommending accreditation be voluntary for Preschool Open Doors. If this committee decides to make the accreditation requirement voluntary, we believe it should amend the bill to still provide incentives for providers to be accredited. Thus, we request the committee amend the current section 346-184, Hawaii Revised Statutes as follows: (a) Each service provider of the preschool open doors program ~~shall~~ **may** be accredited. **The department shall establish tiered child care payment rates**

~~for those providers who are accredited. or shall obtain accreditation within seven calendar years of first receiving any funds from the preschool open doors program; provided that any existing service provider unaccredited on July 1, 2022, shall commence the accreditation process no later than July 1, 2024, and obtain accreditation by July 1, 2029; provided further that the director may grant to any service provider one or more extensions to obtain accreditation on a case-by-case basis.~~ (b) **Higher payment shall be provided for accreditation** Accreditation under this section shall be obtained **from one or more of the following national early learning accrediting organizations:**“; and

- Any increase to subsidies should be accompanied by increased appropriations for the administration of Preschool Open Doors so that staff can administer a program that is easy to navigate for families.

Additionally, we believe that **to achieve truly meaningful access** for the families not served in public school settings, the legislature would need to appropriate **approximately \$240 million annually** to Preschool Open Doors. This would support nearly 20,000 3- and 4-year-olds.

This level of funding would provide meaningful financial assistance for most local families with young children ages 3 and 4. It will also ensure early childhood care and education providers are adequately paid so that we can both maintain the current stock of classrooms and incentivize expansion.

**We would also like to provide comments on the amendments to HRS 302L-7.** HCAN Speaks! appreciates the interest in providing additional opportunities for both 3- and 4-year-olds in public school settings. Any efforts to expand the EOEL Public Prekindergarten Program to include 3-year-olds must include the dedicated budget and positions to ensure the program is developmentally appropriate.

We thank you for the opportunity to provide extensive comments on HB961 HD1. We are encouraged by the support universal preschool for 3- and 4-year-olds has garnered. **We urge committee members to support this measure with amendments to ensure expansion of early learning opportunities provides truly meaningful access while investing in the educators and programs that serve our youngest keiki.**

Mahalo,  
Ke'ōpū Reelitz  
Director of Early Learning and Health Policy

**HB-961-SD-1**

Submitted on: 3/31/2023 12:22:56 PM

Testimony for WAM on 4/4/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Cards Pintor	Individual	Support	Written Testimony Only

Comments:

Aloha,  
I support this bill.  
Mahalo nui,  
Cards Pintor

**HB-961-SD-1**

Submitted on: 3/31/2023 8:51:15 PM

Testimony for WAM on 4/4/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Mike Golojuch, Sr.	Individual	Support	Written Testimony Only

Comments:

Rainbow Family 808 Supports HB961. Please pass this bill.

Mike Golojuch, Sr., Secretary/Board Member

**HB-961-SD-1**

Submitted on: 4/2/2023 1:24:46 PM

Testimony for WAM on 4/4/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Will Caron	Individual	Support	Written Testimony Only

Comments:

Please support HB961 HD1 SD1.



April 3, 2023

To: Senator Donavan Dela Cruz, Chair  
Senator Gilbert Keith-Agaran, Vice Chair  
Senate Committee on Ways and Means

Subject: **Measure** - HB961 HD1 SD1 RELATING TO EARLY LEARNING  
**Hearing Date** - April 4, 2023  
**Time** - 10:30 AM  
**Location** - Conference Room 211

**I support HB961 HD1 SD1 and offer comments.**

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 (ECE<sup>3</sup>) Project.

I support universal access to high quality, accessible and affordable preschool for Hawai'i's three-year old and four-year old keiki!

I am in favor of an appropriately-funded mixed-delivery system to programs for children, birth through age five, including preschool programs. A mixed-delivery system means that there are seats for keiki in both public school and community-based settings. This approach draws upon the decades of expertise and infrastructure in the early care and education sector that includes DHS licensed centers, Head Start, public school prekindergarten, and community-based agencies. This approach provides families with more options that meet their needs, preferences and choices.

Therefore, I am in strong support of the expansion of Department of Human Services (DHS) Preschool Open Doors program (community-based) and Executive Office on Early Learning (EOEL) prekindergarten programs (public schools).

HB961 HD1 SD1 appropriates additional funding to DHS for the expansion of the POD program, which will provide families with subsidies and increase more preschool seats for three-year olds and four-year olds in community-based programs. It also provides funding and other resources to hire additional staffing and improve technology for the implementation of the POD program. This bill identifies the types of accreditation bodies which POD service providers may choose to utilize. This bill authorizes the POD special fund to accept federal funds.

Furthermore, I offer the following as additional provisions in the bill:

- DHS set reimbursement rates based on the true cost of care rather than only on the current market rate and that reimbursement be a flat rate and irrespective of the tuition charged to non-subsidy families.
- DHS expand the eligibility requirements for more middle-income families
- Increase funding to DHS for the administration of POD so there are trained family-friendly staff who can help families navigate the application process.
- Make the accreditation process voluntary for given period of time and incentive those programs who obtain accreditation with higher subsidy rates.

HB961 HD1 SD1 appropriates funding to EOEL to work collaboratively across stakeholders, including DHS, Hawai'i Department of Education (HIDO)E, and the Hawai'i State Public Charter School Commission (HSPCS), to expand options and availability of pre-kindergarten programs for all three-and four-year olds across the State. Currently, the EOEL Public Pre-K program only serves children in the year prior to entering kindergarten. This bill will give EOEL the authority to serve three-year olds.

Therefore, I offer the following as an additional provision in the bill:

- Funding be given to EOEL to ensure there is environmental infrastructure, staffing, provisions for toilet learning, and other resources to support developmentally appropriate practices for three-year olds.

Mahalo for the opportunity to testify in support of HB961 HD1 SD1 with comments.