

Honolulu, Hawaii

FEB 15 2024

RE: S.B. No. 2603
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Health and Human Services, to which was referred S.B. No. 2603 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require the Department of Human Services to establish and implement a Child Care Provider Subsidy and Bonus Program to provide subsidies to retain the existing child care workforce in licensed and registered child care; and
- (2) Appropriate funds for the Child Care Provider Subsidy and Bonus Program.

Your Committee received testimony in support of this measure from the Executive Office on Early Learning, Department of Research and Development for the County of Hawai'i, Hawai'i Children's Action Network Speaks!, Early Childhood Action Strategy, Holomua Collaborative, Aloha United Way, Chamber of Commerce Hawaii, 'Ahu Pūnana Leo, Kama'āina Kids, Hawai'i Association of School Psychologists, Hawai'i State Coalition Against Domestic Violence, The Samuel N. and Mary Castle Foundation, HPM Building Supply, Mana Up, Title Guaranty of Hawai'i, HE'E Coalition, PATCH, Chamber of Sustainable Commerce,



Save Medicaid Hawaii, Democratic Party of Hawai'i Women's Caucus, University of Hawai'i System College of Education, aio Family of Companies, AAUW of Hawaii, and thirty-four individuals.

Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that high quality child care programs are fundamental to thriving children, flourishing families, and a robust economy. An effective and well-trained early child care workforce is the cornerstone of these programs. However, early child care workers earn chronically low wages and experience high turnover rates. This measure will enhance recruitment and retention of a qualified early learning workforce in the State.

Your Committee notes the testimony of the Department of Human Services requesting licensed group child care homes to be included in the Child Care Provider Subsidy Program since they must comply with the same child care worker qualifications as licensed group child care centers, and for the University of Hawaii to be excluded from receiving subsidies and bonuses from the program as it is a public education institution. Your Committee also acknowledges the concerns raised by the Department of Human Services over some of the documents an applicant is required to submit to participate in the program due to duplicative verifications done at the employer level, and its concerns that it will be difficult for the Department to administer and oversee the program itself. The Department also requested use of the Child Care Grant Program Special Fund for the program, and an additional \$100,000 to hire a program specialist to implement and monitor the program. Accordingly, amendments to this measure are necessary to address these requests.

Accordingly, your Committee has amended this measure by:

- (1) Inserting language that allows licensed group child care homes to apply for and receive subsidies and bonuses under the Child Care Provider Subsidy Program;
- (2) Deleting language that would have required program applicants to provide proof of certain statuses;



- (3) Inserting language that requires program applicants to provide proof that the applicant and covered child care worker will not use state funds for any uses prohibited by law or as determined by the Department of Human Services;
- (4) Inserting language that makes the University of Hawaii or any of its entities ineligible to receive a subsidy or bonus pursuant the program;
- (5) Inserting language that allows the Department of Human Services to have its designee administer the program's application process;
- (6) Inserting language that appropriates funds into and out of the Child Care Grant Program Special Fund for the Child Care Provider Subsidy Program;
- (7) Inserting language that appropriates \$100,000 to establish one full-time equivalent (1.0 FTE) Program Specialist position to carry out the implementation and monitoring of the program;
- (8) Inserting an effective date of December 31, 2050, to encourage further discussion; and
- (9) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2603, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2603, S.D. 1, and be referred to your Committee on Ways and Means.



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



JOY A. SAN BUENAVENTURA, Chair



